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GUANGNAN (HOLDINGS) LIMITED

廣南(集團)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1203)

The Notice convening the annual general meeting of Guangnan (Holdings) Limited (the “Company”) to be held at the Boardroom, Basement II, The Wharney Guang Dong Hotel Hong Kong, No. 57-73 Lockhart Road, Wanchai, Hong Kong on Monday, 15 June 2020 at 11:00 a.m. (the “AGM”) is set out in this circular.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please see page 2 of this circular for various measures that might be implemented by the Company at the AGM in consideration of the outbreak of the “new Coronavirus (COVID-19) pneumonia” epidemic (the “Epidemic”). Possible precautionary measures include but are not limited to:

- **Compulsory body temperature check**
- **Mandatory wearing of surgical face mask and maintaining a safe distance between seats**
- **No provision of refreshment or drinks**

Any person who does not comply with the precautionary measures or is subject to any compulsory quarantine by the Government of the Hong Kong Special Administrative Region (“HKSAR Government”) on the date of the meeting will be denied entry into the meeting venue.

The Company suggests that shareholders appoint the Chairman of the meeting as his/her proxy to vote on the relevant resolutions at the meeting as an alternative to attending the meeting in person.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the Epidemic, to safeguard the health and safety of shareholders and other attendees of the AGM, the Company might implement the following precautionary measures at the AGM to prevent and control the Epidemic:

1. There will be compulsory body temperature checks for all persons at the entrance of the meeting venue. Any person with a body temperature of 37.5 degrees Celsius or higher, or is exhibiting symptoms of fever, sore throat, shortness of breath, cough and breathing difficulty may be denied entry into the AGM venue and be requested to leave the AGM venue.
2. Each attendee is required to wear a surgical face mask inside the meeting venue throughout the entire meeting. Please note that no masks will be provided at the meeting venue and attendees should bring and wear their own masks.
3. Appropriate distancing and spacing in line with the guidance from the HKSAR Government will be maintained to avoid over-crowding.
4. No refreshments or drinks will be provided to attendees at the AGM.
5. In the interest of protecting shareholders from possible exposure to the Epidemic, the Company strongly encourages shareholders NOT to attend the AGM in person and advises shareholders to appoint the Chairman of the AGM as his/her proxy to vote according to his/her indicated voting instructions instead of attending in person.
6. Attendees are requested to observe and practise good personal hygiene at all times at the meeting venue. The Company reserves the right to deny entry into the meeting venue or require any person to leave the meeting venue so as to ensure the health and safety of the attendees at the AGM.

Due to the ever-evolving Epidemic situation in Hong Kong, the Company may be required to change the AGM arrangements at short notice. Shareholders are advised to check the Company's website for further announcements and updates on the AGM arrangements that may be issued.



GUANGNAN (HOLDINGS) LIMITED

廣南(集團)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1203)

Executive Directors:

CHEN Benguang (*Chairman*)

HE Jinzhou (*General Manager*)

CHAU Wang Kei (*Chief Financial Officer*)

Registered Office:

22nd Floor

Tesbury Centre

No. 24–32 Queen’s Road East
Hong Kong

Non-Executive Director:

LIANG Jianqin

Independent Non-Executive Directors:

Gerard Joseph McMAHON

LI Kar Keung, Caspar

WONG Yau Kar, David

12 May 2020

To the shareholders

Dear Sir or Madam,

**(1) GENERAL MANDATES FOR THE REPURCHASE OF SHARES AND
THE ISSUE OF SHARES, (2) RE-ELECTION OF DIRECTORS,
(3) CHANGE OF COMPANY NAME,
(4) AMENDMENTS TO ARTICLES OF ASSOCIATION AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to give you notice of the AGM, and information on matters to be dealt at the AGM, *inter alia*:

- (a) the grant of general mandates (“General Mandates”) to the directors of the Company (“Directors”) to issue and repurchase ordinary shares in the share capital of the Company (“Shares”);
- (b) the re-election of the retiring Directors;

- (c) the proposed change of the English name and the Chinese name of the Company (the “Change of Company Name”) referred to in the announcement of the Company dated 28 April 2020; and
- (d) the proposed amendments (the “Amendments”) to the articles of association of the Company (the “Articles of Association”) to reflect the Change of Company Name referred to in the announcement of the Company dated 28 April 2020.

2. GENERAL MANDATES

At the last annual general meeting of the Company held on 5 June 2019, resolutions were passed giving general mandates to the Directors (i) to allot, issue and otherwise deal with new Shares of up to 20% of the issued share capital of the Company as at 5 June 2019; (ii) to repurchase Shares on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) of up to 10% of the issued share capital of the Company as at 5 June 2019; and (iii) to extend the general mandate to allot and issue Shares granted to the Directors by adding to it the number of Shares that has been repurchased by the Company.

Pursuant to the Companies Ordinance, Chapter 622 of the Laws of the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”) (“Companies Ordinance”) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time (“Listing Rules”), these general mandates will lapse at the conclusion of the AGM, unless renewed at the AGM. In order to provide continual flexibility to the Directors, resolutions will be proposed at the AGM to renew these mandates.

(a) Repurchase Mandate

At the AGM, an ordinary resolution, set out as Ordinary Resolution No. 6 in the notice convening the AGM as set out in Appendix III to this circular (“AGM Notice”), will be proposed to grant a new general and unconditional mandate to the Directors to exercise the powers of the Company to repurchase, at any time during the Relevant Period (as defined in Ordinary Resolution No. 6), Shares of up to a maximum of 10% of the issued share capital of the Company on the date of the passing of Ordinary Resolution No. 6 (“Repurchase Mandate”). An explanatory statement setting out the requisite information regarding the Repurchase Mandate as required under the Listing Rules is set out in Appendix I to this circular.

As at 6 May 2020 (the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular) (“Latest Practicable Date”), the number of Shares in issue was 907,593,285 Shares. Subject to the passing of the proposed resolution for approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase up to a limit of 90,759,328 Shares.

(b) Issue Mandate

At the AGM, an ordinary resolution, set out as Ordinary Resolution No. 5 in the AGM Notice, will be proposed to grant a new general and unconditional mandate to the Directors to issue, at any time during the Relevant Period (as defined in Ordinary Resolution No. 5), Shares representing up to 20% of the issued share capital of the Company on the date of the passing of Ordinary Resolution No. 5 (“Issue Mandate”). In addition, an ordinary resolution, set out as Ordinary Resolution No. 7 in the AGM Notice, will be proposed to extend the Issue Mandate which would increase the limit of the Issue Mandate by adding to it the number of Shares repurchased under the Repurchase Mandate.

As at the Latest Practicable Date, the number of Shares in issue was 907,593,285 Shares. Subject to the passing of the proposed resolution for approving the Issue Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the date of the AGM, the Company would be allowed under the Issue Mandate to issue up to a limit of 181,518,657 Shares.

3. RE-ELECTION OF DIRECTORS

Mr. Chen Benguang (“Mr. Chen”) and Mr. Chau Wang Kei (“Mr. Chau”), who were appointed as Directors by the Board after the annual general meeting of the Company held on 5 June 2019, will retire in accordance with Article 92 of the Articles of Association at the AGM. Being eligible, they will offer themselves for re-election. Ms. Liang Jianqin (“Ms. Liang”), will retire by rotation in accordance with Article 101 of the Articles of Association at the AGM. Being eligible, she will offer herself for re-election.

Information relating to Mr. Chen, Mr. Chau and Ms. Liang as required to be disclosed under Rule 15.51(2) of the Listing Rules is set out in Appendix II to this circular.

4. CHANGE OF COMPANY NAME

Reference is made to the announcement of the Company dated 28 April 2020 in relation to the proposed Change of Company Name and the proposed Amendments.

The Company proposes to change the English name and the Chinese name of the Company from “GUANGNAN (HOLDINGS) LIMITED 廣南(集團)有限公司” to “GDH GUANGNAN (HOLDINGS) LIMITED 粵海廣南(集團)有限公司” (the “New Names”).

Conditions of the Change of Company Name

The Change of Company Name is subject to the satisfaction of the following conditions:

1. passing of the special resolution by the shareholders of the Company (the “Shareholders”) at the AGM approving the Change of Company Name; and
2. approval of the New Names by the Companies Registry in Hong Kong.

Subject to the satisfaction of the conditions set out above, the Change of Company Name will take effect on the date on which the certificate of change of name is issued by the Companies Registry in Hong Kong. The Company will carry out the necessary filing procedures with the Companies Registry in Hong Kong.

Reasons for the Change of Company Name

The Board believes that the proposed New Names will better reflect the Company's background and can provide the Company with a more appropriate corporate image and identity which will benefit the Company's future business development and is in the best interests of the Company and Shareholders as a whole.

Effects of the Change of Company Name

The Change of Company Name will not affect any rights of the existing holders of Shares in the Company nor the Company's daily business operation and its financial position. All the existing share certificates of the Company in issue bearing the existing name of the Company will, upon the Change of Company Name becoming effective, continue to be evidence of title to such Shares and will continue to be valid for trading, settlement, registration and delivery of such Shares. There will not be any arrangement for free exchange of the existing share certificates of the Company for new share certificates printed in the new names of the Company. Upon the Change of Company Name becoming effective, all new share certificates will only be issued in the New Names of the Company.

5. AMENDMENTS TO ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 28 April 2020 in relation to the proposed Change of Company Name and the proposed Amendments.

In view of the proposed Change of Company Name, the Company also proposes to amend (the "Amendments") the articles of association of the Company (the "Articles of Association") to reflect the Change of Company Name by replacing all references to "GUANGNAN (HOLDINGS) LIMITED" with "GDH GUANGNAN (HOLDINGS) LIMITED", "Guangnan (Holdings) Limited" with "GDH Guangnan (Holdings) Limited" and "廣南(集團)有限公司" with "粵海廣南(集團)有限公司" in the Articles of Association. The proposed Amendments are subject to the approval by way of a special resolution of the Company at the AGM and shall take effect upon the Change of Company Name becoming effective.

6. THE AGM

The AGM Notice is set out in Appendix III to this circular. Shareholders are advised to read the AGM Notice and to complete and return the enclosed form of proxy for use at the AGM in accordance with the instructions printed thereon and deposit the same with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed 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 adjourned meeting should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in the AGM Notice will be decided by poll. An announcement of the poll results will be made after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

7. RECOMMENDATIONS

The Directors believe that the granting of the General Mandates, the re-election of Directors, the proposed Change of Company Name and the proposed Amendments are in the best interests of the Company as well as the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolutions and special resolutions set out in the AGM Notice to be proposed at the AGM.

8. 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 enquires, 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 not other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
For and on behalf of the Board
CHEN Benguang
Chairman

This Appendix serves as an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate to be put forward to the AGM and also constitutes the memorandum required under section 239 of the Companies Ordinance.

EXERCISE OF THE REPURCHASE MANDATE

Whilst the Directors do not at present intend to repurchase any Shares immediately, they believe that the flexibility afforded by the mandate granted to them if the relevant ordinary resolution to approve the grant of the Repurchase Mandate is passed would be beneficial to the Company.

It is proposed that up to 10% of the issued Shares on the date of the passing of the ordinary resolution may be repurchased. As at the Latest Practicable Date, 907,593,285 Shares were issued. On the basis of such figures, the Directors would be authorized to repurchase up to 90,759,328 Shares during the period from the passing of the ordinary resolution up to the conclusion of the next annual general meeting in 2021, or the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles of Association to be held, or the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders at a general meeting of the Company, whichever of these three events occurs first.

REASONS FOR REPURCHASES

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share.

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such repurchase in accordance with its Articles of Association, the Laws of Hong Kong and the Listing Rules. Repurchases pursuant to the Repurchase Mandate will be made out of funds of the Company legally permitted to be utilised in this connection, including the funds of the Company otherwise available for dividend or distribution or the proceeds of a fresh issue of Shares made for such purpose.

IMPACT ON THE COMPANY

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited accounts for the year ended 31 December 2019) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

DISCLOSURE OF INTERESTS

None of the Directors, and to the best of the knowledge of the Directors, having made all reasonable enquiries, none of their associates (as defined in the Listing Rules), have any present intention, if the Repurchase Mandate is exercised, to sell any Shares to the Company.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company, nor has undertaken not to do so, if the Repurchase Mandate is exercised.

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

SHARE REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) during the last 6 months immediately preceding the Latest Practicable Date.

TAKEOVERS CODE CONSEQUENCES

If, as a result of a repurchase of Shares by the Company, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers ("Takeovers Code"). As a result, a Shareholder or group of Shareholders acting in concert, depending on the level of increase of its or their shareholding, 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, the immediate controlling shareholder (as defined in the Listing Rules) of the Company, GDH Limited ("GDH"), was recorded in the registers required to be kept by the Company under section 336 of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO") as having an interest in 537,198,868 Shares, representing approximately 59.19% of the issued share capital of the Company. In the event that the Repurchase Mandate is exercised in full and assuming that there is no change in the number of Shares held by GDH and there is no other change to the issued share capital of the Company, the shareholding of GDH in the Company will be increased to approximately 65.77% of the reduced issued share capital of the Company immediately after the exercise in full of the Repurchase Mandate. The Directors are not aware of the consequences which would arise under the Takeovers Code as a result of any repurchases of Shares pursuant to the Repurchase Mandate. In addition, in exercising the Repurchase Mandate (whether in full or otherwise), the Directors will ensure that the Company shall comply with the requirements of the Listing Rules, including the minimum percentage of Shares being held in public hands.

MARKET PRICES

The highest and lowest prices at which the Shares had traded on the Stock Exchange during each of the previous 13 months before the Latest Practicable Date were as follows:

	Traded market price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2019		
April	1.10	0.94
May	1.03	0.91
June	0.98	0.91
July	1.03	0.90
August	0.91	0.80
September	0.84	0.80
October	0.83	0.78
November	0.83	0.75
December	0.81	0.74
2020		
January	0.80	0.72
February	0.77	0.72
March	0.82	0.60
April	0.73	0.61

1. RE-ELECTION OF DIRECTORS

Set out below are the personal particulars of the Directors who offer themselves to be re-elected at the AGM:

Mr. Chen Benguang, aged 55, was appointed the Chairman and the Executive Director of the Company in December 2019. He was appointed the Director of GDH Zhongyue (Zhongshan) Tinplate Industry Co., Ltd. (“Zhongyue Tinplate”) and Zhongyue Posco (Qinhuangdao) Tinplate Industrial Co., Ltd. (“Zhongyue Posco”) in March 2020. He was appointed the Director of Guangnan Hong Company Limited (“Guangnan Hong”) in April 2020. Zhongyue Tinplate and Guangnan Hong are wholly-owned subsidiaries of the Company. Zhongyue Posco is a non-wholly owned subsidiary of the Company. Mr. Chen graduated from the China University of Geosciences and holds a Bachelor’s degree in Administrative Management. Mr. Chen had been the director and general manager of certain subsidiaries of Guangdong Land Holdings Limited (formerly “Kingway Brewery Holdings Limited”) (“GD Land”), the chairman of Kingway Brewery Group (Chengdu) Co., Ltd., the general manager of human resource department and administration department of GD Land between 1998 and 2016. Mr. Chen has been the chairman of 廣西粵海高速公路有限公司 (Guangxi Guangdong Gonglu Company Limited) (“Guangxi Guangdong Gonglu”) (formerly 廣西新長江高速公路有限公司 (Guangxi Xinchangjiang Gonglu Company Limited)) from September 2016 to December 2019. He has also been the deputy general manager of Guangdong Investment Limited (“GDI”) from January 2018 to December 2019. Guangxi Guangdong Gonglu is an indirect wholly-owned subsidiary of GDI. GD Land and GDI are the subsidiaries of GDH Limited (“GDH”), which is the immediate controlling shareholder of the Company. The shares of GDI and GD Land are listed on The Stock Exchange of Hong Kong Limited.

Other than as stated above, Mr. Chen is not related to any Directors, senior management, or substantial or controlling shareholders of the Company, and has not held any directorship in any other listed company in the last three years.

As at the Latest Practicable Date, Mr. Chen does not have any interest in shares and/or underlying shares of the Company or its associated corporations within the meaning of Part XV of Securities and Futures Ordinance.

There is a letter of appointment entered into between the Company and Mr. Chen. Mr. Chen, if re-elected, will be appointed as an Executive Director with effect from the conclusion of the AGM for a term of not more than approximately 3 years expiring at the conclusion of the Company’s annual general meeting to be held in 2023, subject to earlier determination in accordance with the Articles of Association and/or applicable laws and regulations. The remuneration package of Mr. Chen comprises basic salary, allowances, benefits in kind and pension scheme contributions amounting to approximately HK\$1,601,333 per annum, with a discretionary bonus pegged to performance. Such emoluments are determined by reference to his job responsibilities, the prevailing market conditions and the Company’s policy on Directors’ remuneration, operating performance and profitability.

Save as disclosed above, in relation to the re-election of Mr. Chen as an Executive Director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the shareholders.

Mr. Chau Wang Kei, aged 45, was appointed the Executive Director and the Chief Financial Officer of the Company in September 2019. He was appointed the director of Gain First Investments Limited, Zhongyue Industry Material Limited and Zhongyue Tinplate in November 2019. Mr. Chau graduated from the Hong Kong Polytechnic University and holds a Bachelor's degree in Accountancy. He is a member of the Hong Kong Institute of Certified Public Accountants and a Chartered Financial Analyst. Mr. Chau possesses extensive experience in financial management, accounting as well as auditing. He worked for a major certified public accountants firm. Mr. Chau had been working at Guangdong Holdings Limited ("Guangdong Holdings") from May 2003 to August 2019 and his last position was senior manager of finance department. Guangdong Holdings is the ultimate controlling shareholder of the Company.

Other than as stated above, Mr. Chau is not related to any Directors, senior management, or substantial or controlling shareholders of the Company, and has not held any directorship in any other listed company in the last three years.

As at the Latest Practicable Date, Mr. Chau does not have any interest in shares and/or underlying shares of the Company or its associated corporations within the meaning of Part XV of Securities and Futures Ordinance.

There is a letter of appointment entered into between the Company and Mr. Chau. Mr. Chau, if re-elected, will be appointed as an Executive Director with effect from the conclusion of the AGM for a term of not more than approximately 3 years expiring at the conclusion of the Company's annual general meeting to be held in 2023, subject to earlier determination in accordance with the Articles of Association and/or applicable laws and regulations. The remuneration package of Mr. Chau comprises basic salary, allowances, benefits in kind and pension scheme contributions amounting to approximately HK\$1,100,000 per annum, with a discretionary bonus pegged to performance. Such emoluments are determined by reference to his job responsibilities, the prevailing market conditions and the Company's policy on Directors' remuneration, operating performance and profitability.

Save as disclosed above, in relation to the re-election of Mr. Chau as an Executive Director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the shareholders.

Ms. LIANG Jianqin, aged 55, was appointed a Non-Executive Director of the Company in September 2010. She was a Non-Executive Director of the Company from July 2002 to August 2006. Ms. Liang graduated from the department of accountancy of Jinan University, the PRC and holds a Master's degree in Economics. She is a fellow member of The Association of Chartered Certified Accountants, a fellow member of Hong Kong Institute of Certified Public Accountants and a member of The Chinese Institute of Certified Public Accountants. She possesses extensive experience in financial management, external and internal audit as well as business management. Ms. Liang worked for Ernst and Young from 1995 to 1997 and GDI from 1997 to 2002 and was the general manager of the finance department of GDH Limited ("GDH") from 2002 to 2006. She was also served as the general manager of finance departments of 廣東粵海控股集團有限公司 (Guangdong Holdings Limited) and GDH from September 2010 to March 2020. Ms. Liang was appointed an executive director and chief financial officer of Guangdong Land Holdings Limited, a fellow subsidiary of the Company, in April 2006 and served as a non-executive director from September 2010 to December 2012.

Other than as stated above, Ms. Liang is not related to any Directors, senior management, or substantial or controlling shareholders of the Company, and has not held any directorship in any other listed company in the last three years.

As at the Latest Practicable Date, Ms. Liang does not have any interest in ordinary shares of the Company and had no derivative interest of ordinary shares in the Company within the meaning of Part XV of the SFO. Ms. Liang was interested in 100,000 ordinary shares in GDI and 56,222 ordinary shares in Guangdong Land. Save as disclosed above, Ms. Liang does not have any interest in shares and/or underlying shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

There is a letter of appointment entered into between the Company and Ms. Liang. Ms. Liang, if re-elected, will be appointed as a Non-Executive Director with effect from the conclusion of the AGM for a term of not more than approximately 3 years expiring at the conclusion of the Company's annual general meeting to be held in 2023, subject to earlier determination in accordance with the Articles of Association and/or applicable laws and regulations. Ms. Liang did not receive any emoluments from the Company for the year ended 31 December 2019. As a Non-Executive Director of the Company, Ms. Liang is entitled to such director's fee and emoluments as may be approved by the Board in accordance with the Articles of Association. Her emoluments will be determined by reference to job responsibilities, the prevailing market conditions of the industry and the Company's remuneration policy, operating performance and profitability.

Save as disclosed above, in relation to the re-election of Ms. Liang as a Non-executive Director of the Company, there is no information which is discloseable nor is/was she involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the shareholders.

**GUANGNAN (HOLDINGS) LIMITED****廣南(集團)有限公司***(Incorporated in Hong Kong with limited liability)***(Stock Code: 1203)****NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT an annual general meeting of Guangan (Holdings) Limited (the “Company”) will be held at the Boardroom, Basement II, The Wharney Guang Dong Hotel Hong Kong, No. 57–73 Lockhart Road, Wanchai, Hong Kong on Monday, 15 June 2020 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements, the Report of the Directors and the Report of the Independent Auditor of the Company for the year ended 31 December 2019.
2. To declare a final dividend for the year ended 31 December 2019.
3. To re-elect the following retiring directors of the Company (the “Directors”) by separate resolutions, and to authorize the board of Directors (the “Board”) to fix the remuneration of the Directors:
 - (i) Mr. CHEN Benguang
 - (ii) Mr. CHAU Wang Kei
 - (iii) Ms. LIANG Jianqin
4. To re-appoint the Auditors of the Company and authorize the Board to fix their remuneration.

To consider and, if thought fit, pass with or without amendments, the following as ordinary resolutions:

ORDINARY RESOLUTIONS

5. “**THAT:**
 - (a) subject to the other provisions of this resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) of this resolution) of all the powers of the Company to allot, issue and deal with ordinary shares in the capital of the Company (the “Ordinary Shares”) and/or options, warrants and/or instruments carrying rights to subscribe for any Ordinary Shares or securities

convertible into Ordinary Shares, and to make and/or grant offers, agreements, options or warrants which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this resolution shall be in addition to any other authorization given to the Directors and shall authorize the Directors during the Relevant Period to make and/or grant offers, agreements, options or warrants which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of the Ordinary Shares allotted, issued or dealt with, or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval given under paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) of this resolution), (ii) the exercise of the subscription or conversion rights attaching to any warrants, preference shares, convertible bonds or other securities issued by the Company which are convertible into Ordinary Shares, (iii) the exercise of options granted by the Company under any option scheme or similar arrangement for the time being adopted for the grant to Directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible person (if any) of rights to acquire Ordinary Shares, or (iv) any scrip dividend or similar arrangement providing for the allotment of Ordinary Shares in lieu of the whole or part of a dividend on the Ordinary Shares in accordance with the articles of association of the Company (the “Articles of Association”), shall not exceed 20 per cent of the aggregate number of the Ordinary Shares in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from 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 Articles of Association or any applicable laws of the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”) to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting;

and,

“Rights Issue” means an offer of Ordinary Shares open for a period fixed by the Company (or by the Directors) to holders of Ordinary Shares on the register of members (Ordinary Shares) of the Company on a fixed record date in

proportion to their then holdings of such Ordinary Shares (subject to such exclusions 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 any authorized regulatory body or any stock exchange in, any territory outside Hong Kong).”

6. **“THAT:**

(a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase Ordinary Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and authorized by the Securities and Futures Commission and the Stock Exchange under the Hong Kong Code on Share Buy-backs for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the aggregate number of the Ordinary Shares which the Company is authorized to repurchase pursuant to the approval in paragraph (a) of this resolution shall not exceed 10 per cent of the aggregate number of the Ordinary Shares in issue as at the date of the passing of this resolution; and

(c) for the purpose of this resolution:

“Relevant Period” means the period from 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 Articles of Association or any applicable laws of Hong Kong to be held; and

(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

7. **“THAT** conditional upon the passing of resolutions no. 5 and no. 6 set out in the notice convening the annual general meeting, the aggregate number of Ordinary Shares which are repurchased by the Company under the authority granted to the Directors as mentioned in the said resolution no. 6 shall be added to the aggregate number of Ordinary Shares that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to the approval in the said resolution no. 5.”

To consider and, if thought fit, pass with or without amendments, the following as special resolutions:

SPECIAL RESOLUTIONS

8. “**THAT**, subject to the approval of the Companies Registry in Hong Kong, the English name and the Chinese name of the Company shall be changed from “GUANGNAN (HOLDINGS) LIMITED 廣南(集團)有限公司” to “GDH GUANGNAN (HOLDINGS) LIMITED 粵海廣南(集團)有限公司”, and that any of the Directors of the Company shall be and is hereby authorised to do all such acts and things and execute all documents or make such arrangements as he/she may, in his/her absolute discretion, consider necessary or expedient to effect the said change of name of the Company.”
9. “**THAT** subject to the change of name of the Company under the said resolution no. 8 taking effect, the articles of association of the Company shall be amended by replacing all references to “GUANGNAN (HOLDINGS) LIMITED” with “GDH GUANGNAN (HOLDINGS) LIMITED”, “Guangnan (Holdings) Limited” with “GDH Guangnan (Holdings) Limited” and “廣南(集團)有限公司” with “粵海廣南(集團)有限公司” to reflect the said change of name of the Company, and that any of the Directors of the Company shall be and is hereby authorised to do all such acts and things and execute all documents or make such arrangements as he/she may, in his/her absolute discretion, consider necessary or expedient to effect the said amendments and to attend to any necessary registration and/or filing for and on behalf of the Company.”

By order of the Board
LO Wing Suet
Company Secretary

Hong Kong, 12 May 2020

Registered office:

22nd Floor
Tesbury Centre
24–32 Queen’s Road East
Hong Kong

Notes:

- (i) A shareholder entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote in his place and such proxy need not be a shareholder of the Company.
- (ii) A form of proxy is enclosed. To be valid, the form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed (or a notarially certified copy of such power or authority) must be delivered to the Company’s Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or adjourned meeting. The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the meeting or any adjourned meeting if he so wishes. If a shareholder who has lodged a form of proxy attends the meeting, his form of proxy will be deemed to have been revoked.

- (iii) In the case of joint shareholders, 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, and for this purpose seniority will be determined by the order in which the names stand in the Company's register of members in respect of the joint holding.
- (iv) In order to qualify for attending and voting at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 9 June 2020.
- (v) The register of members of the Company will be closed from Friday, 19 June 2020 to Tuesday, 23 June 2020 (both days inclusive), for the purpose of determining shareholders' entitlement to the proposed final dividend, during which period no transfers of shares will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 18 June 2020.
- (vi) In relation to resolution no. 5, approval is being sought from the shareholders of the Company for a general mandate to authorize the issue of Ordinary Shares. The Directors wish to state that they have no immediate plans to issue any new Ordinary Shares pursuant to the general mandate so given.
- (vii) In relation to resolution no. 6, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Ordinary Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. The Explanatory Statement containing the information necessary to enable the shareholders of the Company to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own Ordinary Shares, as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited is set out in the Appendix I to this circular.
- (viii) In relation to resolution no. 7, approval is being sought from the shareholders of the Company to extend the general mandate to authorize the issue of Ordinary Shares by adding the repurchased Ordinary Shares to the 20 per cent general mandate to issue Ordinary Shares.
- (ix) Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, each of the resolutions set out in this notice will be voted by way of a poll.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In consideration of the outbreak of the "new Coronavirus (COVID-19) pneumonia" epidemic, the following precautionary measures might be implemented by the Company at the annual general meeting:

- **Compulsory body temperature check**
- **Mandatory wearing of surgical face mask and maintaining a safe distance between seats**
- **No provision of refreshment or drinks**

Any person who does not comply with the precautionary measures or is subject to any compulsory quarantine by the HKSAR Government on the date of the meeting will be denied entry into the meeting venue.

The Company suggests that shareholders appoint the Chairman of the meeting as his/her proxy to vote on the relevant resolutions at the meeting as an alternative to attending the meeting in person.