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粵海廣南(集團)有限公司

GDH GUANGNAN (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 01203)

The Notice convening the annual general meeting of GDH Guangnan (Holdings) Limited (the “Company”) to be held at the Boardroom, Basement II, Wharney Hotel, No. 57–73 Lockhart Road, Wanchai, Hong Kong on Friday, 18 June 2021 at 3:00 p.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 shall be implemented by the Company at the AGM in consideration COVID-19 pandemic (the “Pandemic”). 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**
- **Mandatory health declaration**
- **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 Pandemic, to safeguard the health and safety of shareholders and other attendees of the AGM, the Company shall implement the following precautionary measures at the AGM to prevent and control the Pandemic:

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 Pandemic, 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 Pandemic 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.



粵海廣南(集團)有限公司
GDH GUANGNAN (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 01203)

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:

WANG Longhai

Independent Non-Executive Directors:

Gerard Joseph McMAHON
LI Kar Keung, Caspar
WONG Yau Kar, David

22 April 2021

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) 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”); and
- (b) the re-election of the retiring Directors.

2. GENERAL MANDATES

At the last annual general meeting of the Company held on 15 June 2020, 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 total number of Shares of the Company in issue as at 15 June 2020; (ii) to repurchase Shares on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) of up to 10% of the total number of Shares of the Company in issue as at 15 June 2020; 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 expire 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 total number of Shares of the Company in issue 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 15 April 2021 (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 total numbers of Shares of the Company in issue 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. WANG Longhai (“Mr. WANG”), who was appointed as Director by the Board after the annual general meeting of the Company held on 15 June 2020, will retire in accordance with Article 92 of the Articles of Association at the AGM. Being eligible, he will offer himself for re-election. Mr. Gerard Joseph McMAHON (“Mr. McMAHON”) and Dr. WONG Yau Kar, David (“Dr. WONG”), will retire by rotation in accordance with Article 101(a) of the Articles of Association at the AGM. Being eligible, they will offer themselves for re-election.

Set out below is the information relating to the re-election of Mr. McMAHON and Dr. WONG as independent non-executive directors of the Company (the “Re-electing INEDs”) according to Rule 3.13 and Code Provisions A.4.3 and A.5.5 of Appendix 14 of the Listing Rules:

(a) Confirmation of Independence

Each of the Re-electing INEDs has provided the annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. None of them has any relationship with any substantial shareholder, fellow Directors and management of the Company which would interfere with the exercise of independent judgment.

The Company is therefore of the view that both Mr. McMAHON and Dr. WONG meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

(b) Reasons for recommending the Re-electing INEDs

i. Process for selecting directors and attributes of the Re-electing INEDs

The Board is responsible for recommending Directors for re-election by the shareholders of the Company (the “Shareholders”) at the general meeting. It has delegated the relevant screening and evaluation process to the Nomination Committee, which identifies suitably qualified Director candidates and recommends them to the Board.

When evaluating Directors for nomination, the Nomination Committee mainly takes into account: (i) diversity, (ii) character and integrity, (iii) professional qualifications, skills and knowledge, (iv) experience relevant to the Company’s business and corporate strategy, (v) commitment to enhancing shareholder value and (vi) fulfillment of independence requirements (for Independent Non-Executive Directors). The Nomination Committee then makes recommendation to the Board which in turn makes recommendation to the Shareholders in respect of the proposed re-election of Directors at the general meeting.

At a meeting of the Nomination Committee held on 30 March 2021 at which each of the Re-electing INEDs had abstained from voting when his own nomination was being considered, the Nomination Committee recommended the Re-electing INEDs to the Board. The Nomination Committee considers that the Re-electing INEDs possess a wealth of expertise and experience relevant to the Company. As described in this circular, Mr. McMAHON has extensive experience and ample knowledge in the legal and finance fields, while Dr. WONG has extensive experience and ample knowledge in the manufacturing, direct investment, international trade, public service fields, their expertise helps to add great value to the oversight of the Company’s corporate governance, compliance, finance and treasury activities for better protection of the Shareholders’ interest. Being highly accomplished individuals in their respective fields, Mr. McMAHON and Dr. WONG provide sound and valuable guidance to the Company, enabling the Board to fulfill its responsibilities effectively.

Having regard to the independence confirmations as well as the contributions that each of the Re-electing INEDs has made as described herein, the Board considers that the re-election of Mr. McMAHON and Dr. WONG as Directors is in the best interest of the Company and Shareholders as a whole and accepts the Nomination Committee’s recommendations.

ii. Other listed company directorship

None of the Re-electing Director is holding seven or more directorships in listed company.

iii. Skills and experience of the Re-electing INEDs

Mr. McMAHON's sound legal and financial background and expertise arising from his directorship at several listed companies and membership at Hong Kong Securities and Futures Commission enables him to contribute effectively and to provide a panoramic view to the Board.

Dr. WONG, with his extensive experience in manufacturing, direct investment, international trade, public service and other listed board roles, provides constructive advice to the Company and contribute to effective decision making of the Board.

iv. Contribution to diversity of the Board

The Company considers diversity in a broad sense, including but not limited to gender, age, cultural and educational background, professional experience, skills, industry knowledge and length of service. It also takes into consideration its own business model and specific needs from time to time. As explained above, both Mr. McMAHON and Dr. WONG possess a diverse blend of skills, background, experience and viewpoint. They bring a broad perspective to the Board and provide constructive thoughts for the Company's overall strategic planning and business development.

v. Length of services

Pursuant to A.4.3 of Appendix 14 to the Listing Rules, serving more than nine years could be relevant to the determination of a non-executive director's independence. Any further appointment of an independent non-executive director serving more than nine years should be subject to a separate resolution to be approved by the Shareholders.

Mr. McMAHON has been Independent Non-Executive Directors of the Company for more than nine years. Separate resolution will be proposed for his e-elections at the AGM. Mr. McMAHON does not have any management role in the Company and its subsidiaries and he have clearly demonstrated diligence, willingness to exercise independent judgment and have been giving objective views to the Company. There is no evidence that length of tenure is having an adverse impact on his independence.

The Board is satisfied that, as well proven by the valuable independent judgement and advice given by Mr. McMAHON over the years, he has the required character, integrity, independence and experience to fulfill the role of an Independent Non-Executive Director. The Board is not aware of any circumstances that might influence Mr. McMAHON in exercising his independent judgement.

Information relating to Mr. WANG, Mr. McMAHON and Dr. WONG as required to be disclosed under Rule 13.51(2) and 13.74 of the Listing Rules is set out in Appendix II to this circular.

4. 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.

5. RECOMMENDATIONS

The Directors believe that the granting of the General Mandates and the re-election of Directors 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.

6. 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 total number of Share in issue 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 2022, 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 2020) 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 total number of Shares of the Company in issue. 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 total number of Shares of the Company in issue, the shareholding of GDH in the Company will be increased to approximately 65.77% of the reduced total number of Shares of the Company in issue 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 12 months before the Latest Practicable Date were as follows:

	Traded market price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2020		
April	0.73	0.61
May	0.72	0.62
June	0.70	0.60
July	0.72	0.56
August	0.82	0.69
September	0.76	0.64
October	0.69	0.64
November	0.70	0.64
December	0.69	0.65
2021		
January	0.78	0.65
February	0.76	0.67
March	0.74	0.62

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. WANG Longhai, aged 42, was appointed a Non-Executive Director of the Company in June 2020. Mr. WANG graduated from the Jiangxi University of Finance and Economics and holds a Bachelor's degree in Finance. Mr. WANG possesses extensive experience in financial management, investment and capital operation as well as business management. He worked for a certified public accountant firm and a number of large enterprises. Mr. WANG was an investment adviser of China International Capital Corporation Limited from March 2010 to April 2014. He was an assistant vice president of the Mainland Development Department of Hong Kong Exchanges and Clearing Limited from April 2014 to October 2019. Mr. WANG joined Guangdong Holdings Limited and GDH Limited as deputy general manager of the Investment and Capital Operations Department in October 2019 and was appointed general manager in March 2020.

Other than as stated above, Mr. WANG 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. WANG 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. WANG. Mr. WANG, 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 three years expiring at the conclusion of the Company's annual general meeting to be held in 2024, subject to earlier determination in accordance with the Articles of Association and/or applicable laws and regulations. Mr. WANG did not receive any emoluments from the Company for the year ended 31 December 2020. As a Non-Executive Director of the Company, Mr. WANG is entitled to such director's fee and emoluments as may be approved by the Board in accordance with the Articles of Association. His 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 Mr. WANG as a Non-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. Gerard Joseph McMAHON, aged 77, was appointed an Independent Non-Executive Director of the Company in June 1999. He was, until end of 1996, an executive director and a member of the Securities and Futures Commission of Hong Kong (the “SFC”), a member of the Hong Kong Takeovers and Mergers Panel and the SFC representative on the Hong Kong Standing Committee on Company Law Reform. Mr. McMAHON is also a barrister in Hong Kong. He has been appointed non-executive director of a number of publicly listed companies in Hong Kong, Indonesia and Australia since 1997. Currently, Mr. McMAHON is a non-executive director and the chairman of the board of directors of Indonesian Investment Fund Limited, a company listed on the Euronext Dublin (formerly known as the Irish Stock Exchange) which was delisted on 21 May 2018. He is also a non-executive director, member of the audit committee, remuneration committee and nomination committee of Tanami Gold NL, a company listed on the Australian Securities Exchange. Besides, Mr. McMAHON was a director of Oriental Technologies Investment Limited (now known as Shine Metals Limited), a company listed on the Australian Securities Exchange. Mr. McMAHON was an independent non-executive director, the chairman of the remuneration and corporate governance committees and a member of the audit and nomination committees of Summit Ascent Holdings Limited, a company listed on the main board of the Stock Exchange.

Other than as stated above, Mr. McMAHON 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. McMAHON 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. McMAHON. Mr. McMAHON, if elected, will be appointed as an Independent Non-Executive Director with effect from the conclusion of the AGM for a term of not more than approximately three years expiring at the conclusion of the Company’s annual general meeting to be held in 2024 subject to earlier determination in accordance with the Articles of Association and/or applicable laws and regulations. The total amount of Mr. McMAHON’s emoluments as an Independent Non-Executive Director, chairman of the audit committee and member of the compensation committee and nomination committee amounted to HK\$300,000 for the year ended 31 December 2020. Mr. McMAHON is entitled to such director’s fee and emoluments as may be approved by the Board in accordance with the Articles of Association. His 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 Mr. McMAHON as an Independent Non-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.

Dr. WONG Yau Kar, David, GBS, JP, aged 63, was appointed an Independent Non-Executive Director of the Company in November 2017. Dr. WONG holds a doctorate in Economics from the University of Chicago. He has extensive experience in manufacturing, direct investment and international trade. Dr. WONG actively participates in public services. He is a Hong Kong deputy of the 13th National People's Congress of the People's Republic of China (第十三屆全國人民代表大會). Dr. WONG is also an independent non-executive director of four other Hong Kong listed companies, namely, Sinopec Kantons Holdings Limited, Huayi Tencent Entertainment Company Limited, Shenzhen Investment Limited and Redco Properties Group Limited. Dr. WONG was an independent non-executive director of Yunfeng Financial Group Limited, Concord New Energy Group Limited. Dr. WONG resigned as an independent non-executive director of CSSC (Hong Kong) Shipping Company Limited on 10 November 2020. Dr. WONG was appointed as the Chairman of the Council of The Education University of Hong Kong with effect from 1 January 2021.

Other than as stated above, Dr. WONG 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, Dr. WONG 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 Dr. WONG. Dr. WONG, if elected, will be appointed as an Independent Non-Executive Director with effect from the conclusion of the AGM for a term of not more than approximately three years expiring at the conclusion of the Company's annual general meeting to be held in 2024, subject to earlier determination in accordance with the Articles of Association and/or applicable laws and regulations. The total amount of Dr. WONG's emoluments as an Independent Non-Executive Director, member of the audit committee, compensation committee and nomination committee amounted to HK\$300,000 for the year ended 31 December 2020. Dr. WONG is entitled to such director's fee and emoluments as may be approved by the Board in accordance with the Articles of Association. His 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 Dr. WONG as an Independent Non-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.



粵海廣南(集團)有限公司
GDH GUANGNAN (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 01203)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an annual general meeting of GDH Guangnan (Holdings) Limited (the “Company”) will be held at the Boardroom, Basement II, Wharney Hotel, No. 57–73 Lockhart Road, Wanchai, Hong Kong on Friday, 18 June 2021 at 3:00 p.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 2020.
2. To declare a final dividend for the year ended 31 December 2020.
3. To re-elect the following retiring Directors of the Company by separate resolutions, and to authorize the Board of Directors to fix the remuneration of the Directors:
 - (i) Mr. WANG Longhai
 - (ii) Mr. Gerard Joseph McMAHON
 - (iii) Dr. WONG Yau Kar, David
4. To re-appoint KPMG as the independent auditor of the Company and to authorize the Board of Directors to fix its remuneration.

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

ORDINARY RESOLUTIONS

5. **“THAT:**
- (a) subject to 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 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 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 (as defined in paragraph (c) of this resolution) 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 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 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 may be 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.”

By Order of the Board
LAW Yu Ting
Company Secretary

Hong Kong, 22 April 2021

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 Friday, 11 June 2021.
- (v) The register of members of the Company will be closed from Thursday, 24 June 2021 to Monday, 28 June 2021 (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 Wednesday, 23 June 2021.
- (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 (the "Listing Rules") 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 Listing Rules, 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 COVID-19 pandemic, the following precautionary measures shall 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**
- **Mandatory health declaration**
- **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.