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China Dongxiang (Group) Co., Ltd.

中國動向（集團）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3818)

GRANT OF SHARE OPTIONS

This announcement is made by China Dongxiang (Group) Co., Ltd. (the “**Company**”) pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors (the “**Board**”) of the Company hereby announces that on 18 April 2023 (the “**Grant Date**”), the Company granted an aggregate of 76,860,000 share options (the “**Share Option(s)**”) to certain employees (which includes an associate (as defined in the Listing Rules) of an executive director of the Company) and an executive director of the Company (collectively, the “**Grantees**” and each, a “**Grantee**”), subject to acceptance of the Grantees, to subscribe for a total of 76,860,000 ordinary shares of HK\$0.01 each in the share capital of the Company (the “**Share(s)**”) pursuant to the share option scheme adopted by the Company on 8 August 2019 (the “**Share Option Scheme**”).

A summary of the Share Options granted is set out below:

Grant Date	:	18 April 2023
Number of the Share Options Granted	:	76,860,000 Share Options (each Share Option shall entitle the Grantee to subscribe for one Share)
Exercise Price of the Share Options Granted	:	HK\$0.33 per Share (no less than the highest of (i) the average closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange for the five business days (as defined in the Listing Rules) immediately preceding the Grant Date, being HK\$0.33; (ii) the closing price of the Shares to be issued by the Stock Exchange on the Grant Date, being HK\$0.325; and (iii) the nominal value of the Shares)

Having considered that (i) the Grantees comprise a director, an associate of Ms. Chen Chen and employees of the Group who will contribute directly to the overall business performance, sustainable development and corporate governance of the Group, (ii) the grant of the Share Options to the Grantees is a recognition for their past contributions to the Group, and (iii) the Share Options are already subject to the terms of the Share Option Scheme which provides for circumstances under which the Share Options (to the extent not already exercised) shall lapse in the event that, among others, a Grantee ceases to be engaged by the Group, is guilty of misconduct or has been convicted of a criminal offence involving his or her integrity or honesty, the remuneration committee of the Company and the Board (excluding Mr. Lyu Guanghong (a Grantee) and Ms. Chen Chen (an associate of whom is a Grantee)) consider that a clawback mechanism is not necessary and the grant of the Share Options could align the interests of the Grantees with incentives to the Grantees to work towards successes of the Group, and reinforce their commitment to provide long-term services to the Group, which is in line with the purpose of the Share Option Scheme.

Financial Assistance : The Group has not provided any financial assistance to the Grantees for the purchase of Shares under the Share Option Scheme.

Set out below are details of the Grantees.

Name/class of Grantee(s)	Position held with the Company	Number of Share Options granted
Mr. Lyu Guanghong	Executive Director	3,900,000
Mr. Men Xiaochen ^{Note}	General Manager, Business Department, PHENIX China	3,900,000
Other employees	—	<u>69,060,000</u>
	Total:	<u><u>76,860,000</u></u>

Note: Mr. Men Xiaochen is the spouse of Ms. Chen Chen (an executive director of the Company), and thus an associate of Ms. Chen Chen.

In compliance with Rule 17.04(1) of the Listing Rules, the grant of the Share Options to Mr. Lyu Guanghong and Mr. Men Xiaochen was approved by the independent non-executive directors of the Company. Save as disclosed and individually named above, none of the Grantees is (i) a Director, chief executive or substantial shareholder of the Company or any of their respective associates or (ii) a related entity participant or a service provider of the Company. None of the Grantees was granted Share Options in excess of the 1% individual limit as defined in Rule 17.03D(1) of the Listing Rules.

Following the grant of the Share Options and assuming full acceptance by the Grantees, 369,752,102 Shares will be available for future grant under the Share Option Scheme.

By Order of the Board
China Dongxiang (Group) Co., Ltd.
Chen Yihong
Chairman

Hong Kong, 18 April 2023

As at the date of this announcement, the executive directors of the Company are Mr. Chen Yihong, Ms. Chen Chen, Mr. Zhang Zhiyong and Mr. Lyu Guanghong, and the independent non-executive directors of the Company are Dr. Chen Guogang, Mr. Gao Yu and Mr. Liu Xiaosong.