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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)

PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME

The Board is pleased to announce that, on 27 June 2019, the Board has resolved to propose the adoption of the New Share Option Scheme to be approved and adopted by the Shareholders at the EGM.

The Old Share Option Scheme, which was adopted by the Company on 12 September 2007 for a term of ten years from the date of listing of the Company, expired on 10 October 2017. In light of the expiration of the Old Share Option Scheme, the Board proposes to adopt the New Share Option Scheme.

The New Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules.

The purpose of the New Share Option Scheme is to provide an incentive for the Qualified Participants to work with commitment towards enhancing the value of the Company and its Shares for the benefit of its Shareholders and to retain and attract calibres whose contribution are or may be beneficial to the growth and development of the Group.

The New Share Option Scheme is conditional upon:

1. the passing of the necessary resolution(s) to adopt the New Share Option Scheme by the Shareholders; and
2. the Listing Committee of the Stock Exchange approving the listing of and permission to deal in any Shares to be allotted and issued pursuant to the exercise of options under the New Share Option Scheme.

The Board will commence the EGM for the purpose of considering, and if thought fit, approving the New Share Option Scheme. The principal terms of the New Share Option Scheme will be set out in the Circular. The Circular, together with the notice of the EGM and proxy form will be despatched to the Shareholders on or about 23 July 2019.

As at the date of this announcement, the New Share Option Scheme remains subject to, among others, the approval of the Shareholders. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities.

DEFINITIONS

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

“Board”	the board of Directors
“Circular”	the circular of the Company containing, among other things, details of the New Share Option Scheme
“Company”	China Dongxiang (Group) Co., Ltd. (中國動向(集團)有限公司), a limited liability company incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the New Share Option Scheme
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People's Republic of China
“Invested Entity”	any entity in which the Company or any Subsidiary holds any equity interest
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the share option scheme proposed to be adopted by the Company upon approval by the Shareholders at the EGM
“Old Share Option Scheme”	the share option scheme adopted by the Company on 12 September 2007 and expired on 10 October 2017

“Qualified Participant(s)”	(i) any individual who is an employee (whether full time or part time) of the Company, any Subsidiary or any Invested Entity, and (ii) any director of the Company, any Subsidiary or any Invested Entity who in the absolute discretion of the Board has contributed or will contribute to the Group
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	means a company which is for the time being a subsidiary (within the meaning of section 15 of the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as modified from time to time) of the Company and “Subsidiaries” shall be construed accordingly

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

27 June 2019

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