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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)

**EXTENSION OF THE TERM OF THE
RESTRICTED SHARE AWARD SCHEME**

Reference is made to the announcement of China Dongxiang (Group) Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 10 December 2010 in relation to the adoption of restricted share award scheme (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the respective meanings as those defined in the Announcement.

On 10 December 2010, the Company adopted the restricted share award scheme as an incentive to retain and encourage its employees for the continual operation and development of the Group. The Scheme has a term of 10 years and will end on 10 December 2020. On 8 December 2020, the Board resolved to extend the term of the Scheme for another 10 years and the Scheme will end on 10 December 2030. Save as the aforesaid, all other material terms of the Scheme remain unchanged and valid.

The Board is of the view that the extended term will give the Company greater flexibility to grant restricted award shares that are held in trust by the Trustee under the Scheme to reward Selected Participants who have made contributions to the Group in accordance with the purpose and terms of the Scheme. The Company believes that such amendment is beneficial to the Company and its shareholders as a whole.

The Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company.

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

Hong Kong, 8 December 2020

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