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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Dafeng Port Heshun Technology Company Limited (the "Company"), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Dafeng Port Heshun Technology Company Limited

大豐港和順科技股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8310)

**(1) ADOPTION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND THE REPORTS OF THE DIRECTORS AND THE AUDITORS**
(2) RE-ELECTION OF RETIRING DIRECTORS
(3) RE-APPOINTMENT OF THE AUDITORS
(4) GRANTING OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
(5) EXTENSION OF GENERAL MANDATE TO ISSUE SHARES
AND
(6) NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting of the Company to be held at Room 1703, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong on Thursday, 19 May 2022 at 3:00 p.m. is set out on pages 18 to 22 of this circular.

Whether or not you are able to attend the annual general meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

This circular will remain on the "Latest Company Announcements" page of the GEM of The Stock Exchange of Hong Kong Limited website at www.hkexnews.hk for 7 days from the date of its publication and on the Company's website at www.djport.com.hk.

PRECAUTIONARY MEASURES FOR THE AGM

In view of the ongoing COVID-19 and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the AGM to protect the attending Shareholders, staff and other stakeholders from the risk of infection:

- i. The number of attendees inside the AGM venue will not be more than 20 persons, which include the Shareholders (in person or by proxy) and supporting staff for the AGM. Shareholders and/or their proxies will be admitted into the AGM venue on a "first-come-first-served" basis;
- ii. Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the AGM venue. Any person with a body temperature of over 37.4 degrees Celsius or any person wearing an electronic tracking wristband under quarantine order may be denied entry into the AGM venue or be required to leave the AGM venue;
- iii. All attendees are required to wear surgical face masks inside the AGM venue at all times, and to maintain a safe distance between seats;
- iv. Submission of personal information form, which may be used for contact tracing, if required; and
- v. No refreshments will be served, and there will be no corporate gifts. To the extent permitted under law, the Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue in order to ensure the safety of the attendees at the AGM. In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. As an alternative, by using forms of proxy with voting instructions inserted, Shareholders may appoint the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person.

31 March 2022

CHARACTERISTICS OF GEM

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“2021 Annual Report”	the annual report of the Company for the financial year ended 31 December 2021
“AGM”	the annual general meeting of the Company to be held at Room 1703, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong on Thursday, 19 May 2022 at 3:00 p.m. or any adjournment thereof
“Articles”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the same meaning as ascribed to it under the GEM Listing Rules
“Audit Committee”	the audit committee of the Board
“Auditors”	the auditor of the Company
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Company”	Dafeng Port Heshun Technology Company Limited (大豐港和順科技股份有限公司), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandates”	the Issue Mandate and the Repurchase Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Issue Mandate”	a general and unconditional mandate proposed to be granted at the AGM to Directors to exercise all the powers of the Company to allot, issue and deal with Shares up to 20% of the issued share capital of the Company as at the date of passing such resolution
“Latest Practicable Date”	24 March 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Nomination Committee”	the nomination committee of the Board
“PRC”	the People’s Republic of China
“Repurchase Mandate”	a general and unconditional repurchase mandate proposed to be granted at the AGM to the Directors to exercise all the powers of the Company to repurchase Shares up to 10% of the issued share capital of the Company as at the date of passing such resolution
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“substantial Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent



Dafeng Port Heshun Technology Company Limited

大豐港和順科技股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8310)

Executive Directors:

Mr. Yuan Qingfeng (*Chairman*)

Non-executive Directors:

Mr. Ji Longtao

Mr. Yang Yue Xia

Mr. Miao Zhibin

Independent non-executive Directors:

Dr. Bian Zhaoxiang

Mr. Lau Hon Kee

Mr. Yu Xugang

Mr. Zhang Fangmao

Registered office:

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Unit 1009, Exchange Tower

33 Wang Chiu Road

Kowloon Bay, Kowloon

Hong Kong

31 March 2022

To the Shareholders

Dear Sir or Madam,

(1) RE-ELECTION OF RETIRING DIRECTORS
(2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
(3) EXTENSION OF GENERAL MANDATE TO ISSUE SHARES
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to give you notice of the AGM and to provide you with information regarding the resolutions to be proposed at the AGM relating to: (i) the adoption of the audited consolidated financial statements of the Company and the reports of Directors and Auditors of the Company for the year ended 31 December 2021; (ii) the re-election of retiring Directors; (iii) the re-appointment of the Auditors; (iv) the granting of the General Mandates to issue and repurchase Shares; and (v) the extension of the Issue Mandate.

LETTER FROM THE BOARD

2. ADOPTION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND THE AUDITORS FOR THE YEAR ENDED 31 DECEMBER 2021

The audited consolidated financial statements of the Company for the year ended 31 December 2021 together with the Reports of the Directors and the Auditors, are set out in the 2021 Annual Report which will be sent to the Shareholders together with this circular. The 2021 Annual Report may be viewed and downloaded from the Company's website (www.dfport.com.hk) and the Hong Kong Exchanges and Clearing Limited's website (www.hkexnews.hk).

The consolidated financial statements have been audited by Mazars CPA Limited and reviewed by the Audit Committee. The report of the Auditor is set out on pages 103 to 110 of the 2021 Annual Report.

3. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 83(3) of the Articles, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Pursuant to Article 84(1) of the Articles, notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

In accordance with Article 83(3) of the Articles, Mr. Yuan Qingfeng ("**Mr. Yuan**") as an executive Director will hold office until the AGM and, being eligible, offer himself for re-election at the AGM.

In accordance with Article 84(1) of the Articles, Mr. Yang Yue Xia ("**Mr. Yang**") and Mr. Ji Longtao ("**Mr. Ji**") as non-executive Directors and Mr. Zhang Fangmao ("**Mr. Zhang**") as an independent non-executive Director will retire from office by rotation at the AGM and, being eligible, offer themselves for re-election at the AGM.

The re-election of Directors has been reviewed by the Nomination Committee which recommended to the Board that the re-election be proposed for Shareholders' approval at the AGM. The nominations were made in accordance with the Nomination Policy of the Company and the objective criteria for the nominations including but not limited to, race, gender, age, cultural and educational background, professional qualification, skills, knowledge, industry experience and length of service, with due regard for the benefits of diversity as set out under the Board Diversity Policy of the Company.

LETTER FROM THE BOARD

The Nomination Committee considered that in view of the nominees' diverse and different educational backgrounds and professional knowledge and experience in the respective fields of business management, sales and marketing as set out in Appendix I to this circular, the appointment of Mr. Yuan, Mr. Yang, Mr. Ji and Mr. Zhang as Directors will bring valuable perspectives, knowledge, skills and experiences to the Board for its efficient and effective functioning and their appointments will contribute to the diversity of the Board appropriate to the requirements of the Company's business.

In determining the proposal to re-elect Mr. Zhang as an independent non-executive Director, the Nomination Committee has also assessed and reviewed the independent non-executive Director's annual confirmation of independence pursuant to Rule 5.09 to the GEM Listing Rules and is satisfied of independence of Mr. Zhang.

Details of the above retiring Directors who are subject to re-election at the AGM are set out in Appendix I to this circular in accordance with the relevant requirements of the GEM Listing Rules.

4. RE-APPOINTMENT OF THE AUDITORS

Mazars CPA Limited will retire as the Auditors of the Company at the AGM and, being eligible, offer themselves for re-appointment.

The Board, upon the recommendation of the Audit Committee, proposed to re-appoint Mazars CPA Limited as the Auditors of the Company and to hold office until the conclusion of the 2023 annual general meeting of the Company.

5. GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 13 May 2021, the Directors were granted a general mandate to allot, issue and deal with Shares (the "**2021 General Mandate**"). The 2021 General Mandate will lapse at the conclusion of the AGM.

At the AGM, an ordinary resolution will be proposed to grant to the Directors a new general and unconditional mandate to allot, issue and otherwise deal with the Shares representing up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the proposed resolution.

The Directors have no present intention to exercise the Issue Mandate (if granted to the Directors at the AGM).

The Issue Mandate allows the Company to allot, issue and otherwise deal with the Shares only during the period ending on the earliest of (i) conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held by the Articles or the laws of the Cayman Islands; or (iii) the date upon which such authority is revoked, renewed or varied by an ordinary resolution of the Shareholders in a general meeting of the Company (the "**Relevant Period**").

LETTER FROM THE BOARD

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,288,000,000 Shares. Subject to the passing of the relevant resolution to approve the Issue Mandate and on the basis that no further Shares will be allotted and issued or repurchased prior to the date of the AGM, the Directors would be authorised to allot, issue and otherwise deal with a maximum of 257,600,000 Shares under the Issue Mandate, representing 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM.

6. GENERAL MANDATE TO REPURCHASE SHARES

The Company's existing mandate to repurchase Shares (the “**Existing Repurchase Mandate**”) was approved by the Shareholders at the annual general meeting held on 13 May 2021. The Existing Repurchase Mandate will lapse at the conclusion of the AGM.

At the AGM, an ordinary resolution will be proposed to grant to the Directors a new general and unconditional mandate to repurchase Shares representing up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the proposed resolution. The Repurchase Mandate allows the Company to make purchases only during the Relevant Period.

The Directors have no present intention to exercise the Repurchase Mandate (if granted to the Directors at the AGM).

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,288,000,000 Shares. Subject to the passing of the relevant resolution to approve the Repurchase Mandate and on the basis that no further Shares will be allotted and issued or repurchased prior to the date of the AGM, the Company would be allowed to repurchase a maximum of 128,800,000 Shares under the Repurchase Mandate, representing 10% of the aggregate nominal amount of the share capital of the Company as at the date of the AGM.

An explanatory statement required to be sent to the Shareholders under the GEM Listing Rules is set out in Appendix II to this circular to provide the Shareholders with the necessary information regarding the Repurchase Mandate.

7. EXTENSION OF ISSUE MANDATE

Conditional upon the passing of the resolutions to grant the General Mandates, a separate ordinary resolution will be proposed at the AGM to add to the Issue Mandate those Shares repurchased by the Company pursuant to the Repurchase Mandate.

LETTER FROM THE BOARD

8. CLOSURE OF THE REGISTER OF MEMBERS

The 2022 AGM will be held on Thursday, 19 May 2022 at 3:00 p.m. In order to ascertain the entitlement of Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 13 May 2022 to Thursday, 19 May 2022, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 12 May 2022.

9. AGM

A notice convening the AGM is set out on pages 18 to 22 of this circular. The AGM will be held at Room 1703, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong on Thursday, 19 May 2022 at 3:00 p.m. for the purpose of considering and, if thought fit, approving the resolutions as set out therein. According to Rule 17.47(4) of the GEM Listing Rules, the voting at the AGM will be taken by poll.

A form of proxy for use at the AGM is also enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible, and in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude the Shareholders from attending and voting in person at the AGM or any adjournment thereof if they so wish.

10. RESPONSIBILITY OF THE DIRECTORS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, 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 no other matters or omissions of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

11. RECOMMENDATION

The Board considers that the proposed resolutions in relation to (i) the adoption of audited consolidated financial statements of the Company and the reports of Directors and Auditors of the Company for the year ended 31 December 2021; (ii) the re-election of retiring Directors; (iii) the re-appointment of Auditors; (iv) the granting of the General Mandates; and (v) the extension of the Issue Mandate are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders vote in favour of all the resolutions to be proposed at the AGM.

12. GENERAL INFORMATION

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Dafeng Port Heshun Technology Company Limited
Yuan Qingfeng
Chairman

The biographical details of the retiring Directors eligible for re-election at the AGM are set out as follows:

EXECUTIVE DIRECTOR

Mr. Yuan Qingfeng (袁慶鋒), aged 36, was appointed as an executive Director and chairman of the Board on 25 February 2022. He is also a director and vice general manager of 江蘇大豐海港控股集團有限公司 (Jiangsu Dafeng Harbour Holding Limited*), the executive director and legal representative of 江蘇鹽城港文旅集團有限公司 (Jiangsu Yancheng Wenlue Group Limited*), the general manager and legal representative of 鹽城大豐和順國際貿易有限公司 (Yancheng Dafeng Heshun International Trade Limited*), and a director of 江蘇鹽城港響水港開發集團有限公司 (Jiangsu Yancheng Harbour Xiangshui Development Group Co., Ltd*), which commenced at various point in time during July 2021 to January 2022. Mr. Yuan received his bachelor degree in business administration in 常州大學 (Changzhou University*) by way of part-time distance learning in 2021. From February 2011 to December 2020, Mr. Yuan consecutively served as the route manager and business development manager in 鹽城南洋機場有限責任公司 (Yancheng Southeast Asia Airport Limited*).

Mr. Yuan has entered into a service contract with the Company as an executive Director. Mr. Yuan has voluntary undertook to the Company to forfeit any and all remuneration to be received in respect for his posts and services to the Company. It is proposed that Mr. Yuan will be appointed for a term of three years commencing from the date of his appointment and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

Save as disclosed above, as at the date of this circular, Mr. Yuan did not (1) hold any positions in other members of the Group; (2) hold any directorship in listed public companies in Hong Kong or overseas during the past three years; (3) hold other major appointments and professional qualifications; (4) have any relationships with any other Directors, senior management or substantial or controlling Shareholders of the Company; and (5) have any interest in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO and She is not aware of any other matters that need to be brought to the attention of the holders of the securities of the Company. Save as disclosed above, the Company considers that in relation to the proposed appointment of various posts of Mr. Yuan, there is no other information that should be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders of the Company.

Save as disclosed above, the Company considers that in relation to the re-election of Mr. Yuan as an executive Director, there is no other information that should be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

NON-EXECUTIVE DIRECTORS

Mr. Yang Yue Xia (“**Mr. Yang**”), aged 49, has been appointed as a non-executive Director since 12 March 2015. He was an executive Director from 20 December 2013 to 11 March 2015. He is a director of certain subsidiaries of the Company. He has many years of experience in corporate management. Mr. Yang is currently a director of 深圳市融成投資有限公司 (Shenzhen Rongcheng Investment Company Limited*). He gained working experience across different industries such as trading and property development.

Mr. Yang has entered into a service contract with the Company as a non-executive Director for a term of three years commenced on 12 March 2020 subject to termination in certain circumstances as stipulated in his service contract. His appointment shall be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

Under the said service contract, Mr. Yang is entitled to an annual director’s fee of HK\$240,000, which was determined with reference to his duties and responsibilities within the Group.

Save as disclosed above, as at the Latest Practicable Date, Mr. Yang did not (1) hold any position in other members of the Group; (2) hold any directorship in listed public companies in Hong Kong or overseas during the past three years; (3) have other major appointments and professional qualifications; (4) have any relationship with any other Directors, senior management or substantial or controlling Shareholders of the Company; and (5) have any interest in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO and he is not aware of any other matters that need to be brought to the attention of the holders of the securities of the Company.

Save as disclosed above, the Company considers that in relation to the re-election of Mr. Yang as a non-executive Director, there is no other information that should be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

Mr. Ji Longtao (“**Mr. Ji**”), aged 57, has been appointed as a non-executive Director since 23 February 2015. He owns 55% equity interest in each of 興亞投資集團有限公司 (Success Pacific Investment Group Limited*) and 江蘇華海投資有限公司 (Jiangsu Huahai Investment Limited*), which in turn own 18% and 10% equity interest in the Dafeng Port Overseas Investment Holdings Limited (“**Dafeng Port Overseas**”) respectively. Mr. Ji owns 50% equity interest of 鹽城市龍橋置業有限公司 (Yancheng Longqiao Property Development Limited*), which is engaged in property development and investment business. He is a director of Dafeng Port Overseas and an executive director of Success Pacific and Jiangsu Huahai, both of which are engaged in investment and asset management businesses.

Mr. Ji has entered into a service contract with the Company as a non-executive Director for a term of three years commenced on 23 February 2020 subject to termination in certain circumstances as stipulated in his service contract. His appointment shall be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

Under the said service contract, Mr. Ji is entitled to an annual director's fee of HK\$240,000, which was determined with reference to his duties and responsibilities within the Group.

Save as disclosed above, as at the Latest Practicable Date, Mr. Ji did not (1) hold any position in other members of the Group; (2) hold any directorship in listed public companies in Hong Kong or overseas during the past three years; (3) have other major appointments and professional qualifications; (4) have any relationship with any other Directors, senior management or substantial or controlling Shareholders of the Company; and (5) have any interest in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO and he is not aware of any other matters that need to be brought to the attention of the holders of the securities of the Company.

Save as disclosed above, the Company considers that in relation to the re-election of Mr. Ji as a non-executive Director, there is no other information that should be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Zhang Fangmao ("**Mr. Zhang**"), formerly named 張芳茂, aged 57, has been appointed as an independent non-executive Director since 1 June 2014. He has over 15 years of experience in import and export businesses in the PRC. Mr. Zhang served as a business manager in 中國深圳經濟特區對外貿易(集團)公司 (China Shenzhen Economic Special Zone Foreign Trade (Group) Corporation*), a state-owned enterprise. He is a director of 深圳市澳德投資顧問有限公司 (Shenzhen AUDE Investment Consulting Co., Ltd.*). Mr. Zhang obtained a bachelor's degree in finance from the Shenzhen University.

Mr. Zhang has entered into a service contract with the Company as an independent non-executive Director for a term of three years commenced on 1 April 2020 subject to termination in certain circumstances as stipulated in his service contract. His appointment shall be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

Under the said service contract, Mr. Zhang is entitled to an annual director's fee of HK\$120,000, which was determined with reference to his duties and responsibilities within the Group.

Save as disclosed above, as at the Latest Practicable Date, Mr. Zhang did not (1) hold any position in other members of the Group; (2) hold any directorship in listed public companies in Hong Kong or overseas during the past three years; (3) have other major appointments and professional qualifications; (4) have any relationship with any other Directors, senior management or substantial or controlling Shareholders of the Company; and (5) have any interest in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO and he is not aware of any other matters that need to be brought to the attention of the holders of the securities of the Company.

Save as disclosed above, the Company considers that in relation to the re-election of Mr. Zhang as an independent non-executive Director, there is no other information that should be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

* *For identification purpose only*

This appendix serves as an explanatory statement, as required under the GEM Listing Rules to provide the requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to maximum of 10% of the issued share capital of the Company as at the date of approval for the Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the number of Shares in issue was 1,288,000,000. Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 128,800,000 Shares, being 10% of the entire issued share capital of the Company as at the date of passing the resolution.

REASONS FOR REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole for the Company to have general authority from the Shareholders to enable the Directors to repurchase the Shares in the market. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

FUNDING OF REPURCHASE

Repurchase by the Company must be funded out of funds legally available for such purpose in accordance with the Articles, the applicable laws and regulations of the Cayman Islands and the GEM Listing Rules. A listed company is prohibited from repurchasing its own securities on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Subject to the foregoing, any repurchase by the Company may be made out of its profits, share premium, or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase and in the case of any premium payable on a repurchase, out of profits of the Company or from sums standing to the credit of the share premium account of the Company. Subject to the Companies Law of the Cayman Islands and if so authorised by the Articles, a repurchase may also be made out of the capital of the Company. Repurchase to be made pursuant to the Repurchase Mandate would be financed out of funds legally available for the purpose in accordance with the Articles and the applicable laws of the Cayman Islands.

IMPACT OF REPURCHASE

Taking into account the current working capital position of the Group, the Directors consider that, if the Repurchase Mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Group as compared with the position as at 31 December 2021, being the date of the Company's latest published audited consolidated financial statements. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Group.

DIRECTORS' INTENTION TO SELL SHARES

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell Shares to the Company or its subsidiaries.

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 GEM Listing Rules and the applicable laws of the Cayman Islands.

CONNECTED PARTIES

The GEM Listing Rules prohibit a company from knowingly purchasing securities on GEM from a "core connected person", that is, a Director, chief executive or substantial Shareholder of the Company or any of its subsidiaries or their respective close associates, and a core connected person (as defined in the GEM Listing Rules) is prohibited from knowingly selling his/her/its securities of the Company to the Company.

As at the Latest Practicable Date, no core connected person has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

EFFECT OF THE TAKEOVERS CODE

If, as a result of a securities repurchase pursuant to the Repurchase Mandate, 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 Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and the provision may apply as a result of any such increase. The Directors are not aware of any consequences of repurchase which would arise under the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders had interests representing 5% or more of the issued share capital of the Company:

Entity name	Number of Shares held (Note 1)	Nature of interest	Approximate % of total issued Shares
Dafeng Port Overseas Investment Holdings Limited (“ Dafeng Port Overseas ”) (Note 2)	740,040,000 (L)	Beneficial owner and have provided an interest in the shares as security to a person other than a qualified lender	57.46%
江蘇大豐海港控股集團有限公司 (Jiangsu Dafeng Harbour Holdings Limited (“ Jiangsu Dafeng ”) (Note 3)	740,040,000 (L)	Interest of controlled corporation	57.46%
江蘇鹽城港控股集團有限公司 (Jiangsu Yancheng Harbor Holdings Limited*) (“ Jiangsu Yancheng ”) (Note 3)	740,040,000 (L)	Interest of controlled corporation	57.46%
鹽城市人民政府 (the People’s Government of Yancheng City*) (“ PGYC ”) (Note 3)	740,040,000 (L)	Interest of controlled corporation	57.46%
Mr. Jiang Wen (Note 4)	75,350,000 (L)	Beneficial owner, interest of controlled corporation and interest of spouse	5.85%
Ms. Li Qiu Hua (Note 5)	75,350,000 (L)	Beneficial owner and interest of spouse	5.85%

Notes:

1. The letter “L” denotes a long position in the interest in the issued share capital of the Company.
2. Dafeng Port Overseas, a company incorporated in Hong Kong with limited liability, and is owned as to 40% by Jiangsu Dafeng, which in turn is wholly owned by Jiangsu Yancheng, 40.2% of which is owned by PGYC.
3. Jiangsu Dafeng and Jiangsu Yancheng and PGYC are deemed to be interested in the shares of the Company held by Dafeng Port Overseas under the SFO.
4. Mr. Jiang Wen, the director, the general manager and the legal representative of 前海明天供應鏈(深圳)有限公司 (Qianhai Mingtian Supply Chain (Shenzhen) Company Limited*) (“**Qianhai Mingtian**”) which is an indirect subsidiary of the Company, directly and beneficially owns 51,230,000 Shares. Ms. Li Qiu Hua, the spouse of Mr. Jiang Wen, directly and beneficially owns 10,520,000 Shares. Jing Ji (Holding) Co., Limited, a company wholly-owned by Mr. Jiang Wen, directly and beneficially owns 13,600,000 Shares. As such, under the SFO, Mr. Jiang Wen is deemed, or taken to be, interested in 75,350,000 Shares.
5. Ms. Li Qiu Hua directly and beneficially owns 10,520,000 Shares. As Mr. Jiang Wen’s spouse, she is, under the SFO, deemed to be, or taken to be, interested in the same number of Shares in which Mr. Jiang Wen is interested.

The Directors will not repurchase the Shares on GEM if the repurchase would result in the number of the listed securities which are in the hands of the public falling below 25% of the total issued share capital of the Company, being the relevant minimum prescribed percentage for the Company as required by the Stock Exchange.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate.

SHARE PRICE

The highest and lowest prices at which the Shares have been traded on the GEM in each of the 12 months immediately preceding (and including) the Latest Practicable Date are as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2021		
May	0.2290	0.1800
June	0.2170	0.1560
July	0.2270	0.1520
August	0.1980	0.1220
September	0.1240	0.1000
October	0.1360	0.1100
November	0.1230	0.1060
December	0.1230	0.1000
2022		
January	0.1010	0.0910
February	0.1100	0.1100
March (up to the Latest Practicable Date)	0.0990	0.0920

SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any of its Shares (whether on the GEM or otherwise) during the six months immediately preceding the Latest Practicable Date.



Dafeng Port Heshun Technology Company Limited

大豐港和順科技股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8310)

NOTICE IS HEREBY GIVEN that the annual general meeting of Dafeng Port Heshun Technology Company Limited (the “**Company**”) will be held at Room 1703, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong on Thursday, 19 May 2022 at 3:00 p.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2021 and the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 December 2021.
2.
 - (a) To re-elect Mr. Yuan Qingfeng as an executive Director;
 - (b) To re-elect Mr. Yang Yue Xia as a non-executive Director;
 - (c) To re-elect Mr. Ji Longtao as a non-executive Director;
 - (d) To re-elect Mr. Zhang Fangmao as an independent non-executive Director; and
 - (e) To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
3. To re-appoint Mazars CPA Limited as the auditor of the Company and its subsidiaries and to authorise the Board to fix its remuneration.

To consider as special business and, if thought fit, passing with or without modification, the following resolutions as ordinary resolutions:

4. “**THAT:**
 - (a) subject to paragraph (c) of this resolution, pursuant to the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of

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HK\$0.01 each in the capital of the Company (“**Shares**”) or securities convertible into the Shares, options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements or options which might require the exercise of such powers, be and is hereby generally and unconditionally approved;

- (b) the approval given in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into the Shares) which might require the exercise of aforesaid powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval given in paragraph (a) and (b) of this resolution, otherwise than pursuant to:
 - i. a Rights Issue (as hereinafter defined); or
 - ii. any issue of Shares upon exercise of the rights of subscription or conversion attaching to any warrants issued by the Company or any securities which are convertible into the Shares; or
 - iii. the exercise of any option scheme or similar arrangement for the time being adopted for the grant or issue to eligible persons of Shares or rights to acquire Shares; or
 - iv. any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on the Shares pursuant to the articles of association of the Company in force from time to time,

shall not in total exceed 20% of the aggregate nominal amount of the share capital of the Company in issue 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 date of passing of this resolution until whichever is the earlier 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 of the Company or any applicable laws of the Cayman Islands to be held; or

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- iii. the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking, renewing or varying of the authority set out in this resolution.

“**Rights Issue**” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares whose names stand on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares at that date (subject to such exclusion 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 jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. **“THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on GEM of the Stock Exchange or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, subject to and in accordance with rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the articles of association of the Company and all applicable laws of the Cayman Islands and/or other applicable laws in this regards, be and the same is hereby generally and unconditional approved;
- (b) the approval in paragraph (a) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its Shares at a price determined by the Directors;
- (c) the aggregate nominal amount of the Shares repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company 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 time of the passing of this resolution until whichever is the earlier 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 of the Company or any applicable laws to be held; or

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- iii. the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking, renewing and varying the authority set out in this resolution.”
6. “**THAT** conditional upon the passing of Resolutions numbered 4 and 5 set out in the notice of the annual general meeting at which this resolution is considered, the general mandate granted to the Directors to allot, issue or otherwise deal with additional Shares pursuant to Resolution numbered 4 above of which this resolution forms part be and is hereby extended by the addition thereto of the aggregate nominal amount of the Shares which may be repurchased or agreed to be repurchased by the Company under the authority granted pursuant to the Resolution numbered 5 above, provided that such amount of Shares so repurchased by the Company shall not exceed 10% of aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”
7. In view of the ongoing COVID-19 and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the AGM to protect the attending Shareholders, staff and other stakeholders from the risk of infection:
 - i. The number of attendees inside the AGM venue will not be more than 20 persons, which include the Shareholders (in person or by proxy) and supporting staff for the AGM. Shareholders and/or their proxies will be admitted into the AGM venue on a “first-come-first-served” basis;
 - ii. Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the AGM venue. Any person with a body temperature of over 37.4 degrees Celsius or any person wearing an electronic tracking wristband under quarantine order may be denied entry into the AGM venue or be required to leave the AGM venue;
 - iii. All attendees are required to wear surgical face masks inside the AGM venue at all times, and to maintain a safe distance between seats;
 - iv. Submission of personal information form, which may be used for contact tracing, if required; and
 - v. No refreshments will be served, and there will be no corporate gifts. To the extent permitted under law, the Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue in order to ensure the safety of the attendees at the AGM. In the interest of all stakeholders’ health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. As an alternative, by

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using forms of proxy with voting instructions inserted, Shareholders may appoint the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person.

By order of the Board
Dafeng Port Heshun Technology Company Limited
Yuan Qingfeng
Chairman

Hong Kong, 31 March 2022

Notes:

- (1) Any member of the Company entitled to attend and vote at the annual general meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her and so appointed shall have the same right as the member to speak at the meeting. A member who is the holder of two or more Shares of the Company may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
- (2) A form of proxy for use at the annual general meeting is enclosed herewith.
- (3) The form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be under its seal or the hand of an officer, attorney or other person duly authorised.
- (4) The form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be lodged at the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 48 hours before the time appointed for holding the annual general meeting or any adjourned meeting (as the case may be) and in default the proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the annual general meeting or at any adjourned meeting (as the case may be) should they so wish.
- (5) Where there are joint registered holders of any Share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such Share as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, the vote of that one of the said persons so present whose name stands first on the register of members in respect of such Share shall be accepted to exclusion of the votes of the other joint holders.
- (6) In order to ascertain the entitlement of Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 13 May 2022 to Thursday, 19 May 2022, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 12 May 2022.