
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker 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 Harbour Digital Asset Capital 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, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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HARBOUR DIGITAL

Harbour Digital Asset Capital Limited

港灣數字產業資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 913)

GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES, RE-ELECTION OF RETIRING DIRECTORS, REFRESHMENT OF SCHEME MANDATE LIMIT, AND NOTICE OF ANNUAL GENERAL MEETING

Resolutions will be proposed at the annual general meeting (the “AGM”) of the Company to be held at 11:30 a.m. on Thursday, 30 June 2022, at Portion 2, 12/F., The Center, 99 Queen’s Road Central, Hong Kong, to approve the matters referred to in this circular. The notice convening the AGM is set out in Appendix III to this circular. If you are unable to attend the AGM in person, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting and in such event, the form of proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE AGM

Please see page ii of this circular for measures being taken to try to prevent and control the spread of the Novel Coronavirus (COVID-19) at the AGM, including:

- **compulsory body temperature checks and health declarations**
- **compulsory wearing of a surgical face mask for each attendee**
- **appropriate seating arrangement in line with the guidance promulgated by the Hong Kong Government**
- **no distribution of corporate gift or refreshment**

If necessary, more severe precautionary measures and/or other arrangement may be adopted at the AGM to comply with any new, amended and then existing law provision of Hong Kong in effect that time. The Company may change the AGM arrangement at short notice and issue further announcement(s) as appropriate. Shareholders should check the Company’s website (www.hdca913.com) for updates on the latest arrangement of the AGM.

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue. The Company reminds Shareholders that they may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the meeting as an alternative to attending the meeting in person.

30 May 2022

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PRECAUTIONARY MEASURES FOR THE AGM

The health of our Shareholders, staff and stakeholders is of paramount importance to us. In view of the ongoing Novel Coronavirus (COVID-19) pandemic, the Company will implement the following precautionary measures at the AGM to protect attending Shareholders, staff and stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted for every Shareholder, proxy or other attendee at each entrance of the meeting venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the meeting venue or be required to leave the meeting venue.
- (ii) Each attendee must wear a surgical face mask throughout the meeting and inside the meeting venue, and to maintain a safe distance between seats.
- (iii) Appropriate seating arrangement in line with the guidance promulgated by the Hong Kong Government will be made.
- (iv) No refreshment will be served, and there will be no corporate gift.
- (v) Each attendee may be asked whether (a) he/she has travelled outside of Hong Kong within the 14-day period immediately before the AGM; and (b) he/she is subject to any Hong Kong Government prescribed quarantine. Anyone who responds positively to any of these questions may be denied entry into the meeting venue or be required to leave the meeting venue.

If necessary, more severe precautionary measures and/or other arrangement may be adopted at the AGM to comply with any new, amended and then existing law provision of Hong Kong in effect that time. The Company may change the AGM arrangement at short notice and issue further announcement(s) as appropriate. Shareholders should check the Company's website (www.hdca913.com) for updates on the latest arrangement of the AGM. As such, the Company reminds all Shareholders that physical attendance in person at the meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolution at the meeting instead of attending the meeting in person, by completing and return the proxy form attached to this circular.

If any Shareholder chooses not to attend the meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the Board, he/she is welcome to send such question or matter in writing to our head office and principal place of business in Hong Kong.

If any Shareholder has any question relating to the meeting, please contact Tricor Tengis Limited, the Company's share registrar in Hong Kong as follows:

Tricor Tengis Limited
Level 54, Hopewell Centre
183 Queen's Road East, Hong Kong
Tel: 2980 1333

DEFINITIONS

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

“2021 AGM”	the annual general meeting of the Company held on 30 June 2021
“AGM”	the annual general meeting of the Company to be convened and held at 11:30 a.m. on Thursday, 30 June 2022, at Portion 2, 12/F., The Center, 99 Queen’s Road Central, Hong Kong, notice of which is set out on pages 19 to 23 in this circular
“Articles”	Articles of Association of the Company
“Board”	the board of Directors of the Company
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Harbour Digital Asset Capital Limited (formerly “Unity Investments Holdings Limited”), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange
“Director(s)”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“INED(s)”	Independent non-executive Director(s)
“Issue Mandate”	the general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the total number of the issued share capital of the Company as at the date of passing of the relevant resolution approving the grant of such mandate

DEFINITIONS

“Latest Practicable Date”	23 May 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	nomination committee of the Board
“Options”	options granted pursuant to the Share Option Scheme
“Participants”	any Directors (including executive Directors, non-executive Directors and INEDs) and employees of the Group, any director or employee of a company or entity in which the Group has invested in and any advisors (professional or otherwise), consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, any director or employee of any service providers of any member of the Group who the Board considers, in its sole discretion, have contributed to or will contribute to the Group
“PRC”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administration Region of the PRC and Taiwan
“Repurchase Mandate”	the general and unconditional mandate to the Directors to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the total number of the issued share capital of the Company as at the date of passing of the relevant resolution approving the grant of such mandate
“Scheme Mandate Limit”	the 10% limit on grant of Options by the Company under the Share Option Scheme
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

DEFINITIONS

“Share Option Scheme”	the share option scheme adopted on 30 April 2013
“Share(s)”	ordinary share(s) of nominal value of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases, as amended from time to time

LETTER FROM THE BOARD



HARBOUR DIGITAL

Harbour Digital Asset Capital Limited

港灣數字產業資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 913)

Executive Director:

Ms. SHUM Kit Lan Anita

Non-Executive Directors:

Ms. YE Ying (*Chairman*)

Ms. HU Xiaoting

Independent Non-executive Directors:

Mr. HUNG Cho Sing

Ms. CHUNG Fai Chun

Mr. YU Tat Chi Michael

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:*

Room 1006, 10th Floor, 299QRC

287-299 Queen's Road Central

Sheung Wan, Hong Kong

30 May 2022

To the Shareholders

Dear Sir/Madam,

**GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
REFRESHMENT OF SCHEME MANDATE LIMIT,
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the AGM, resolutions will be proposed to (i) grant to the Directors general mandates to repurchase and issue Shares; (ii) extend the general mandate to issue Shares; (iii) re-elect retiring Directors and (iv) refresh the Scheme Mandate Limit. In compliance with the Listing Rules, this circular contains the explanatory statement and gives all the information reasonably necessary to enable the Shareholders to make informed decisions on whether to vote for or against the resolutions.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE ADDITIONAL SHARES

An ordinary resolution will be proposed at the AGM for the purpose of renewing the existing share issue mandate granted to Directors to allot, issue and otherwise deal with the Shares. The existing issue mandate will expire at the conclusion of the AGM. The share issue mandate is subject to a limit equal to 20% of the total number of the issued share capital of the Company at the date of passing the resolution.

As at 30 April 2022, the Company had an aggregate 275,601,680 Shares in issue. During the period from 30 April 2022 to the Latest Practicable Date, 5,580,000 Shares were issued and allotted due to exercise of Options granted on 11 May 2020. Accordingly, as at the Latest Practicable Date, the Company had an aggregate of 281,181,680 Shares in issue and assuming no additional Shares will be issued or repurchased from the Latest Practicable Date up to the date of the AGM, the 20% share issue mandate to be approved at the AGM is 56,236,336 Shares. The Company does not have any plan to issue Shares under the Issue Mandate as at the Latest Practicable Date.

GENERAL MANDATE FOR REPURCHASE OF SHARES

The repurchase resolution will be proposed for the purpose of renewing the existing Repurchase Mandate granted to the Directors to repurchase Shares. The existing Repurchase Mandate will expire at the conclusion of the AGM. The Repurchase Mandate is subject to a limit of equal to 10% of the issued and fully paid up share capital of the Company as at the date of passing the resolution. Assuming the Resolution 4(A), which is to approve the general mandate for repurchase of Shares, is approved at the AGM and there is no change in the total issued share capital of the Company during the period from the Latest Practicable Date to the date of AGM, the maximum number of Shares that may be repurchased by the Company under the Repurchase Mandate will be 28,118,168 Shares. The Company does not have any plan to repurchase Shares under the Repurchase Mandate as at the Latest Practicable Date. An explanatory statement to the Repurchase Mandate is set out in Appendix I to this circular.

EXTENSION OF GENERAL MANDATE TO ISSUE SHARES

Subject to the passing at the AGM of the proposed resolutions regarding the share issue mandate and the repurchase mandate, an ordinary resolution will be proposed at the AGM to approve the extension of the 20% share issue mandate, i.e. 56,236,336 Shares, by adding to the share issue mandate the number of shares that may be repurchased under the Repurchase Mandate. Shareholders are referred to the AGM notice for details of the resolutions. With reference to these resolutions, the Board wishes to state that it has no immediate plans to repurchase any shares or to issue any new shares pursuant to the relevant mandates.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 157 of the Articles, Ms. HU Xiaoting, a non-executive Director, and Ms. CHUNG Fai Chun, an INED, shall retire by rotation as Directors. In accordance with Article 123 of the Articles, Ms. YE Ying, a non-executive Director, shall retire by rotation as Director. Being eligible, all of Ms. YE Ying, Ms. HU Xiaoting and Ms. CHUNG Fai Chun (collectively the “Retiring Directors”) offer themselves for re-election as Director at the AGM.

Procedure and Process for Nomination of INEDs

The Board has adopted the following policy for the nomination of directors (the “Nomination Policy”).

Selection Criteria

In determining the suitability of a candidate, the Nomination Committee and the Board shall consider the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity. The Nomination Committee and the Board shall consider the following selection criteria, which are not meant to be exhaustive:

- the candidate’s personal ethics, reputation, character and integrity;
- the candidate’s qualifications, skills, knowledge, business judgment and experience that are relevant to the operations of the Group;
- the diversity perspectives set out in the Board Diversity Policy of the Company (as amended from time to time);
- the candidate’s availability including time commitment to discharge his or her responsibility as a Director, including being able to devote sufficient time to attend Board meetings, participate in induction, trainings and other board and Company associated activities (In the case of a candidate who will be nominated as an INED will be holding his or her seventh (or more) listed company directorship, the Nomination Committee should consider the reasons given by the candidate for being able to devote sufficient time to discharge his or her responsibility as an INED.);
- the candidate for the position of an INED must comply with the independence criteria as prescribed under the Listing Rules (as amended from time to time);
- the current size and composition of the Board, the needs of the Board and the respective committees of the Company;
- the succession planning of members of the Board to ensure the leadership continuity and smooth functioning of the Group; and

LETTER FROM THE BOARD

- any other factors that the Nomination Committee and/or the Board may consider appropriate.

The Nomination Committee and the Board shall ensure that the composition of the Board is in conformity with the laws of the Cayman Islands, the Listing Rules and all other applicable laws and regulations.

Nomination Procedures

The recruitment, identification, evaluation, recommendation, nomination, selection and new appointment or re-appointment of each proposed Director shall be assessed and considered by the Nomination Committee and the Board against the Selection Criteria as set out in the Nomination Policy. In the context of appointment of any proposed candidate to the Board:

- the Nomination Committee may take such measures that it considers appropriate in connection with its identification and evaluation of candidates, including, amongst others, considering referrals from the Directors, shareholders, management, advisors of the Company;
- the Nomination Committee shall identify and ascertain the character, qualification, knowledge and experience of the candidate and undertake adequate due diligence in respect of such candidate; and
- the Nomination Committee shall make recommendations by submitting the candidate's personal profile to the Board for its consideration.

In the context of re-appointment of any existing member of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation for the candidate to stand for re election at general meeting.

For each proposed new appointment or re-appointment of a Director, the Nomination Committee shall obtain all applicable declarations and undertaking as required under the laws of the Cayman Islands and the Listing Rules.

In the case of a nomination for the position of an INED, the Nomination Committee shall ensure that the concerned candidate meets the independence criteria as prescribed under the Listing Rules.

The Board shall have the final decision on all matters relating to the recommendation of candidates to stand for election (and re election) at a general meeting.

The ultimate responsibility for the selection and appointment of Directors rests with the entire Board.

LETTER FROM THE BOARD

Recommendation of the Nomination Committee

The Nomination Committee had assessed and reviewed the annual written confirmation of independence of each of the INEDs for the year ended 31 December 2021 and thereafter up to 30 March 2022 based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that all of them, including Ms. CHUNG Fai Chun, remain independent. In addition, the Nomination Committee had evaluated the performance of each of the Retiring Directors for the year ended 31 December 2021 and found their performance satisfactory. Therefore, the Nomination Committee nominated the Retiring Directors to the Board for it to propose to Shareholders for re-election at the AGM.

Accordingly, with the recommendation of the Nomination Committee, the Board has proposed that all the Retiring Directors, namely Ms. YE Ying, Ms. HU Xiaoting and Ms. CHUNG Fai Chun stand for re-election as Directors at the AGM. As a good corporate governance practice, each of the Retiring Directors abstained from voting at the relevant Board meeting on the respective propositions of their recommendations for re-election by the Shareholders at the AGM.

The biographical details (including the number of the other public companies' directorship) of each of the Retiring Directors to be re-elected at the AGM are set out in Appendix II to this circular in accordance with the relevant requirements under the Listing Rules.

Further information about the Board's composition and diversity as well as the attendance record at the meetings of the Board and/or its committees and the general meetings of the Directors (including the Retiring Directors) is disclosed in the Biographical Details of Directors and Corporate Governance Report of the 2021 Annual Report of the Company.

REFRESHMENT OF THE SCHEME MANDATE LIMIT

The Share Option Scheme was adopted by the Company on 30 April 2013. The purpose of the Share Option Scheme is to reward Participants who have contributed or will contribute to the Group and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. Participants of the Share Option Scheme comprise of any Directors (including executive Directors, non-executive Directors and INED(s)) and employees of the Group, any director or employee of a company or entity in which the Group has invested in and any advisors (professional or otherwise), consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, any director or employee of any service providers of any member of the Group who the Board considers, in its sole discretion, have contributed to or will contribute to the Group. In light of new Corporate Governance Code has come to effect on 1 January 2022 and best practice E.1.9 of that Code states that *“Issuers generally should not grant equity-based remuneration (e.g. share options or grants) with performance-related elements to independent non-executive directors as this may lead to bias in their decision-making and compromise their objectivity and independence”*, the Board did not grant Options to any INED during the period from 1 January 2022 to the Latest Practicable Date, and has no intention to grant Options to any INED since the Latest Practicable Date.

LETTER FROM THE BOARD

In accordance with the Listing Rules and the Share Option Scheme, the total number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme of the Company must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme. The Scheme Mandate Limit may be refreshed by the Shareholders in general meeting in accordance with the rules of the Share Option Scheme. At 2021 AGM, the Scheme Mandate Limit was refreshed pursuant to which the Company was authorised to grant Options to subscribe for up to a maximum number of 27,560,168 Shares, representing 10% of the number of Shares then in issue (the “Previous Refreshment”). No option issued under the share option scheme, which was adopted by the Company on 2 May 2003 and terminated on 30 April 2013, is outstanding as at the Latest Practicable Date and the Company has only one share option scheme, i.e. the Share Option Scheme, which is effective as at the Latest Practicable Date.

The movements of the Options under the Share Option Scheme since the Previous Refreshment and up to the Latest Practicable Date are set out as follows:

Category	Date of Grant	Exercise Price	Option Period	Number of options held as at the date of 2021 AGM	Number of options granted during the period	Number of options exercised during the period	Number of options cancelled/lapsed during the period	Number of options held as at the Latest Practicable Date
Directors								
Ms. HU Xiaoting	11 May 2020	HK\$0.179	Three years from date of grant	1,860,000	-	-	-	1,860,000
Ms. CHUNG Fai Chun	11 May 2020	HK\$0.179	Three years from date of grant	1,860,000	-	-	-	1,860,000
	11 May 2021	HK\$0.316	Three years from date of grant	750,000	-	-	-	750,000
Employees (in aggregate)	11 May 2020	HK\$0.179	Three years from date of grant	7,440,000	-	(5,580,000)	-	1,860,000
	11 May 2021	HK\$0.316	Three years from date of grant	16,500,000	-	-	-	16,500,000
	28 June 2021	HK\$0.305	Three years from date of grant	5,000,000	-	-	-	5,000,000
	12 May 2022	HK\$0.800	Three years from date of grant	-	22,000,000	-	-	22,000,000
Total				33,410,000	22,000,000	(5,580,000)	-	49,830,000

LETTER FROM THE BOARD

These 49,830,000 Options held as at the Latest Practicable Date are the total outstanding Options, which were granted since adoption of the Share Option Scheme up to the Latest Practicable Date, and represent approximately 17.7% of the issued share capital of the Company as at the Latest Practicable Date. The 49,830,000 outstanding Options and the 28,118,168 Options, which is equivalent to 10% of 281,181,680 total issued Shares as at the date of AGM (assuming there is no change in the total issued share capital of the Company during the period from the Latest Practicable Date to the date of AGM), may be granted under the Scheme Mandate Limit to be refreshed in the AGM, totalling 77,948,168 Options are less than 30% of total issued share capital of the Company, which is equivalent to 84,354,504 Shares, as at the Latest Practicable Date. During the period from the date of 2021 AGM to the Latest Practicable Date, 22,000,000 Options were granted, which represented approximately 79.8% of the existing Scheme Mandate Limit under the Previous Refreshment. 5,560,168 Options remained ungranted, which represent approximately 2.0% of the issued share capital of the Company as at the Latest Practicable Date and approximately 20.2% of the existing Scheme Mandate Limit under the Previous Refreshment. As at the Latest Practicable Date, the Board has intention to grant Options to certain employees before the AGM by utilising the remaining existing Scheme Mandate Limit, but the name of grantees and the number of Options to be granted are yet to be concluded.

Save as aforesaid, no Options were granted, lapsed, exercised or cancelled during the period from the date of adoption of the Share Option Scheme to the Latest Practicable Date, and there is no other Option granted under the Share Option Scheme and any other schemes of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company had an aggregate of 281,181,680 Shares in issue and assuming no additional Shares will be issued or repurchased from the Latest Practicable Date up to the date of the AGM, it is expected that, upon the approval of the refreshment of the Scheme Mandate Limit of the Share Option Scheme at the AGM, the Directors will be authorised to grant Options to subscribe up to 28,118,168 Shares, representing 10% of the number of Shares in issue as at the Latest Practicable Date. The Board proposes to refresh the Scheme Mandate Limit at the AGM so as to enable the Company to grant further Options to Participants.

The Directors believe that more Options to be granted under the Share Option Scheme can provide more incentive and rewards to Participants for their contribution and continuing efforts to promote the interest of the Company and enhance the value of the Shares.

Pursuant to the Listing Rules and the Share Option Scheme, Options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or exercised Options) will not be counted for purpose of calculating the Scheme Mandate Limit as refreshed. The Directors consider that such refreshment of the Scheme Mandate Limit of the Share Option Scheme is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The limit on the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company must not exceed 30% of the Shares in issue from time to time. No Options may be granted under the Share Option Scheme and any other schemes of the Company if this will result in the limit being exceeded.

The proposed refreshment of the Scheme Mandate Limit is conditional upon:

1. the passing of the ordinary resolution by the Shareholders at the AGM to approve the proposed refreshment of the Scheme Mandate Limit of the Share Option Scheme; and
2. the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

An application will be made to the Stock Exchange for the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

ANNUAL GENERAL MEETING

The notice of the AGM is set out in Appendix III to this circular.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

PROXY ARRANGEMENT

A form of proxy for use at the AGM is enclosed with this circular. In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's Hong Kong share registrar and transfer office, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. The completion and return of the form of proxy will not preclude any Shareholder from attending and voting at the AGM or any adjournment thereof and in such event, the form of proxy shall be deemed to be revoked.

VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the AGM will be taken by way of poll.

LETTER FROM THE BOARD

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 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 the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the Repurchase Mandate, the Issue Mandate, the extension of the Issue Mandate, the re-election of the retiring Directors and the refreshment of Scheme Mandate Limit are in the best interests of the Company and the Shareholders. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of AGM.

Yours faithfully,

For and on behalf of the Board

SHUM Kit Lan Anita

Executive Director

The following explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) of the Listing Rules to be given to the Shareholders relating to a resolution to be proposed at the forthcoming AGM authorizing the Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date the issued and fully paid up share capital of the Company comprised 281,181,680 Shares. Exercise in full of the Repurchase Mandate, if so approved, on the basis that no further shares are issued or repurchased between the Latest Practicable Date and the date of the approval of the Repurchase Mandate, the Company would be allowed under the repurchase resolution to repurchase a maximum of 56,236,336 Shares during the period from the date on which such resolution is passed until the date of: (i) conclusion of the next AGM of the Company; (ii) the expiration of the period within which the next AGM of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or (iii) the revocation, variation or removal of the Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting, whichever occurs first (the “Relevant Period”), representing not more than 10% of the issued share capital of the Company as at the Latest Practicable Date.

REASONS FOR REPURCHASE

The Directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company the flexibility to make such repurchase when appropriate and beneficial to the Company and the Shareholders as a whole. Such repurchase may enhance the net assets value per Share and/or earnings per Share.

GENERAL

As compared with the financial position of the Company as at 31 December 2021 (being the date of its latest published audited financial statements), the Directors consider that there might be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the Relevant Period. However, the Directors do not intend to make any repurchase to such an extent as would in the circumstances have a material adverse impact on the working capital or gearing position of the Company.

FUNDING OF REPURCHASE

Repurchases must be made of the funds legally available for the purpose in accordance with the memorandum and articles of association of the Company and the applicable laws and regulations of the Cayman Islands and the Listing Rules. The Companies laws of the Cayman Islands (“Laws”) provide that a share repurchase by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose or, if so authorized by the Articles and subject to the provisions of the Laws, out of capital. Any premium payable on a repurchase over the par value of the Shares repurchased or conditionally or unconditionally to be purchased must be provided for out of profits of the Company or out of the Company’s share premium account or, if so authorized by the Articles and subject to the provisions of the Laws, out of capital.

SHARE REPURCHASE MADE BY THE COMPANY

During the period of six months preceding the Latest Practicable Date, no Shares had been repurchased by the Company (whether on the Stock Exchange or otherwise).

SHARE PRICES

During the previous twelve months before the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

	Price per Share	
	Highest HK\$	Lowest HK\$
2021		
May	0.580	0.295
June	0.350	0.285
July	0.325	0.285
August	0.305	0.260
September	0.350	0.250
October	0.375	0.280
November	0.680	0.370
December	0.920	0.500
2022		
January	1.090	0.830
February	1.300	0.840
March	1.100	0.640
April	1.010	0.650
May (<i>up to the Latest Practicable Date</i>)	0.830	0.780

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange, so far as the same may be applicable, to exercise the power of the Company to repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands and in accordance with the regulations set out in the Memorandum and Articles of Association of the Company. None of the Directors nor, to the best of their knowledge having made all reasonable inquiries, any of their close associates (as defined in the Listing Rules) have any present intention to sell any securities to the Company under the Repurchase Mandate if such is approved by the Shareholders. No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company nor have they undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

EFFECT OF TAKEOVERS CODE

If on exercise of the power to repurchase Shares pursuant to 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 purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could, depending on the level of increase of Shareholders' interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. The Directors are not aware of any Shareholders, or a group of Shareholders acting in concert, who may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code in the event that the Directors exercise the power to repurchase Shares pursuant to the Repurchase Mandate. As at the Latest Practicable Date, based on disclosures made under Part XV of the SFO and to the best of the knowledge and belief of the Company, there were no substantial Shareholders. If the Directors exercise in full the powers to repurchase Shares pursuant to the Repurchase Mandate, it would not give rise to any obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

Based on information that is publicly available to the Company and within the knowledge of the Directors, there is no shareholder of the Company holding 5% or more of the Company's issued share capital as at the Latest Practicable Date. As such, the Company's total issued share capital is held by the public as at the Latest Practicable Date, and as if the Repurchase Mandate is exercised by the Company in full.

MS. YE YING (“MS. YE”)

Ms. YE, aged 41, has many years’ solid experience in finance industry in Mainland China. She was the general manager of a sub-branch company of China Life Insurance Company Limited from 2003 to 2005, the general manager of banking insurance department of The People’s Insurance Company (Group) of China Limited from 2005 to 2007, and the Head of sub-branch of Agricultural Bank of China Limited from 2007 to 2011. In addition to the Chairman of the Board and a non-executive Director, Ms. YE is currently the Chief Executive Officer, a director and controlling shareholder of GBI Global Financial Group Limited (“GBI”), a private company established in Hong Kong. The principal business of GBI is investment of the assets of Ms. YE and her family.

Save as mentioned above, Ms. YE has not held any other major appointment and professional qualification as at the Latest Practicable Date. She has not held any directorship in any public companies the securities of which are listed on any securities exchange in Hong Kong or overseas in the past three years, and she has not previously held any position in the Company or its subsidiaries, nor has any relationship with any directors, senior management or substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Ms. YE does not have any interest in the shares of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Ms. YE entered into a service contract with the Company on 9 November 2021, and she is not appointed for a fixed terms but be subject to retirement by rotation and eligible for re-election pursuant to the articles of association of the Company. Ms. YE is entitled to receive a fixed director’s fee of HK\$1 per annum plus discretionary performance based bonus, which is determined with reference to her responsibilities, the Company’s remuneration policy and the prevailing market conditions. No discretionary bonus was paid to Ms. YE by the Company during the period from her appointment on 9 November 2021 to the Latest Practicable Date.

Save as disclosed above, as confirmed by Ms. YE, the Board is not aware of any other matters in relation to the re-election of Ms. YE that needs to be brought to the attention of the shareholders of the Company or any information that should be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

MS. HU XIAOTING (“MS. HU”)

Ms. HU, aged 42, holds a Master degree in Finance from Dongbei University of Finance and Economics. She has over 10 years’ solid experience in finance industry in the PRC.

Save as disclosed above, Ms. HU has not held any directorship in any public companies the securities of which are listed on any securities exchange in Hong Kong or overseas in the past three years, and she has not held any position in the Company or its subsidiaries, nor has any relationship with any directors, senior management or substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. As at the Latest Practicable Date, Ms. HU held 1,860,000 share options under the Share Option Scheme, within the meaning of Part XV of the SFO. Save as disclosed herein, Ms. HU does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

As at the Latest Practicable Date, Ms. HU has entered into with the Company a service contract pursuant to which there is no fixed terms of Ms. HU’s appointment and she will be subject to retirement by rotation and eligible for re-election pursuant to the Articles. Ms. HU received director’s remuneration of HK\$60,000 during the year ended 31 December 2021, which was determined by the remuneration committee, with delegated responsibility from the Board, by reference to her duties and responsibilities with the Company, her experience and the prevailing practice in the market.

Save as disclosed above, as confirmed by Ms. HU, the Board is not aware of any other matters in relation to the appointment of Ms. HU that needs to be brought to the attention of the shareholders of the Company or any information that should be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

MS. CHUNG FAI CHUN (“MS. CHUNG”)

Ms. CHUNG, aged 56, was appointed as an INED in December 2014. She is currently a deputy general manager of a watchcase factory. She has over 20 years’ ample experience in the watchcase production industry, and has a wealth of experience in marketing, business operation and management.

Save as disclosed above, as at the Latest Practicable Date, Ms. CHUNG has not held any other major appointment and qualification or directorship in other listed company in the last three years, nor does she have any relationship with any Director, senior management, substantial shareholders or controlling shareholders (having the meaning ascribed to it in the Listing Rules) of the Company, and she does not hold other positions with the Company or other members of the Group.

As at the Latest Practicable Date, save as 2,610,000 share options under the Share Options scheme held by Ms. CHUNG, Ms. CHUNG is not interested in any shares of the Company within the meaning of Part XV of the SFO.

Pursuant to the appointment letter entered into between Ms. CHUNG and the Company, Ms. CHUNG is appointed for a fixed term for three years from 19 December 2014 and extended to 18 December 2023 subsequently. Her appointment shall be subject to retirement by rotation and re-election at general meeting of the Company in accordance with the articles of association of the Company. Ms. CHUNG is entitled to a monthly director’s fee of HK\$10,000 which is determined with reference to her responsibilities, the Company’s remuneration policy and the prevailing market conditions.

Save as disclosed above, as confirmed by Ms. CHUNG, there is no further information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to the appointment of Ms. CHUNG that need to be brought to the attention of the shareholders of the Company.



HARBOUR DIGITAL

Harbour Digital Asset Capital Limited

港灣數字產業資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 913)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (“Meeting”) of Harbour Digital Asset Capital Limited (the “Company”) will be held at 11:30 a.m. on Thursday, 30 June 2022, at Portion 2, 12/F., The Center, 99 Queen’s Road Central, Hong Kong, for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the audited financial statements, and reports of the directors and the auditor for the year ended 31 December 2021.
2. To re-elect retiring directors and to authorise the board of directors to fix the directors’ remuneration.
3. To re-appoint auditors and to authorise the board of directors to fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

(A) “**THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase shares of HK\$0.001 each in the share capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange 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 (“Listing Rules”) or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the total number of the shares to be purchased pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the total number of the share capital of the Company in issue as at the date of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution, “Relevant Period” means the period from 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 revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; or
 - (iii) 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 law to be held.”

(B) **“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 issue, allot and deal with additional shares in the Company, and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares in the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval 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, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares in the Company) which would or might require the exercise of such power after the end of the Relevant Period;

(c) the total number of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any of the warrants or securities which are convertible into shares of the Company; or (iii) an issue of shares in the Company as scrip dividends pursuant to the Articles of Association of the Company from time to time; or (iv) an issue of shares in the Company under any option scheme or similar arrangement for the grant or issue to employees of the Company and/or any of its subsidiaries of shares in the Company or rights to acquire shares in the Company, shall not exceed 20% of the total number of the share capital of the Company as at the date of this Resolution, and the said approval shall be limited accordingly; and

(d) for the purposes of this Resolution:

“Relevant Period” shall have the same meaning as those ascribed to it under paragraph (c) of the Ordinary Resolution No. 4(A) in the Notice convening this Meeting; and

“Rights Issue” means an offer of shares in the Company, open for a period fixed by the directors to the holders of shares, whose names appear on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (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 recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

(C) “**THAT** subject to the passing of the Ordinary Resolutions Nos. 4(A) and 4(B) in the Notice convening this Meeting, the total number of shares which are to be purchased by the Company pursuant to the authority granted to the Directors as mentioned in Resolution No. 4(A) shall be added to the total number of the share capital that may be allotted or agreed to be allotted by the Directors pursuant to Resolution No. 4(B).”

5. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of and permission to deal in the shares to be issued upon exercise of any options to be granted under the Refreshed Limit (as defined below) pursuant to the share option scheme (“Share Option Scheme”) of the Company adopted by the resolution of the shareholders of the Company passed on 30 April 2013, the existing limit on the grant of options under the Share Option Scheme and any other schemes of the Company be refreshed so that the total number of share capital of the Company to be allotted and issued upon exercise of any options to be granted under the Share Option Scheme and any other schemes of the Company (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme and any other schemes of the Company) shall not exceed 10% of the total number of the share capital of the Company in issue as at the date of the passing of this resolution (“Refreshed Limit”) and that the Directors of the Company be and are hereby authorized to grant options up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company under the Refreshed Limit pursuant to the exercise of such options.”

By Order of the Board
SHUM Kit Lan Anita
Executive Director

Hong Kong, 30 May 2022

Notes:

1. A member of the Company entitled to attend and vote at the meeting (or at any adjournment thereof) is entitled to appoint one, or if he is a holder of more than one share, more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy and the power of attorney (if any), under which it is signed or a certified copy thereof, must be lodged at the Company's registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the appointed time for holding the above meeting or any adjournment thereof.
3. Completion and return of the accompanying form of proxy will not preclude members of the Company from attending and voting in person at the meeting or any adjournment thereof should they so wish and in such event, the form of proxy shall be deemed to be revoked.
4. The register of members of the Company will be closed from 27 June 2022 to 30 June 2022 (both days inclusive) during which no transfer of Shares may be effected for the purpose of determining the Shareholders who are entitled to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all completed share transfer instruments accompanied by the relevant share certificate(s) should be lodged for registration with the Tricor Tengis Limited, the Company's Hong Kong Share registrar and transfer office, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 24 June 2022.