
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Ziyuanyuan Holdings Group Limited (the “Company”), you should at once hand this circular, together with the enclosed 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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Ziyuanyuan Holdings Group Limited

紫元元控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8223)

PROPOSALS FOR
(1) GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES;
AND
(2) RE-ELECTION OF DIRECTORS;
AND
(3) RE-APPOINTMENT OF AUDITORS;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 3 to 8 of this circular. A notice convening the 2019 AGM of the Company to be held at 14/F, Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong on Thursday, 9 May 2019 at 11:00 a.m. or any adjourned meeting hereof to approve matters referred to in this circular is set out on pages 19 to 23 of this circular. A form of proxy for use by the Shareholders at the 2019 AGM is also enclosed with this circular. Such form of proxy is also published on the GEM website at www.hkgem.com and the Company's website at www.ziyygroup.com.

Whether or not you are able or intend to attend the 2019 AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the 2019 AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the 2019 AGM or any adjourned thereof should you so wish.

This circular will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of publication and on the Company's website at www.ziyygroup.com.

29 March 2019

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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 expressions below shall have the following meanings:

“2019 AGM”	the annual general meeting of the Company to be held at 14/F, Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong on Thursday, 9 May 2019 at 11:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting as set out on pages 19 to 23 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company as amended, supplemented or modified from time to time
“Board”	the board of Directors
“Cayman Companies Law”	the Companies Law (as revised) of the Cayman Islands as amended, supplemented or modified from time to time
“close associate(s)”	has the same meaning as defined in the GEM Listing Rules
“Company”	Ziyuanyuan Holdings Group Limited (紫元元控股集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on GEM (stock code: 8223)
“core connected person”	has the same meaning as defined in 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 the GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the 2019 AGM to exercise all the power to allot, issue and otherwise deal with Shares with an aggregate nominal value not exceeding 20% of the total number of issued shares of the Company as at the date of the passing of the resolution granting such mandate
“Latest Practicable Date”	25 March 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information included in this circular
“Listing Date”	9 July 2018, being the date of listing of the Shares on GEM
“Prospectus”	the prospectus of the Company dated 25 June 2018 issued in connection with the listing of Shares on the GEM
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the 2019 AGM to repurchase Shares on the Stock Exchange with an aggregate nominal value up to 10% of the total number of issued shares of the Company as at the date of the passing of the resolution granting such mandate
“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 issued share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission as amended from time to time
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



Ziyuanyuan Holdings Group Limited

紫元元控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8223)

Executive Directors:

Mr. Zhang Junshen (*Chairman and
Chief Executive Officer*)

Mr. Zhang Junwei

Non-executive Director:

Ms. Shen Qingli

Independent Non-executive Directors:

Mr. Chan Chi Fung Leo

Mr. Li Zhensheng

Mr. Chow Siu Hang

Registered office:

Sertus Incorporations
(Cayman) Limited

Sertus Chambers, Governors Square
Suite #5-204,
23 Lime Tree Bay Avenue
P.O. Box 2547, Grand Cayman
KY1-1104, Cayman Islands

Principal place of

business in Hong Kong:

Room 1908, 19/F, West Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

29 March 2019

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
(1) GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES;
AND
(2) RE-ELECTION OF DIRECTORS;
AND
(3) RE-APPOINTMENT OF AUDITORS;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the proposed matters which include, inter alia, (i) the proposed grant of the Issue Mandate and Repurchase Mandate; (ii) the proposed re-election of Directors; and (iii) the proposed re-appointment of Auditors, and to send you the notice of the 2019 AGM.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF DIRECTORS

Pursuant to the Article 112 of the Articles of Association and the GEM Listing Rules, all the Directors were appointed by the Board to fill casual vacancy, shall hold office only until the first general meeting of the Company and shall then be eligible for re-election at such meeting, therefore, all current Directors appointed by the Board will retire at the conclusion of the forthcoming annual general meeting of the Company be held on Thursday, 9 May 2019 (the “**2019 AGM**”).

Pursuant to Article 108(a) of the Articles, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

The Board and the nomination committee of the Company has recommended that Mr. Zhang Junshen, Mr. Zhang Junwei, Ms. Shen Qingli, Mr. Chan Chi Fung Leo, Mr. Li Zhensheng and Mr. Chow Siu Hang will all retire from office at the 2019 AGM. All the retiring Directors, being eligible, shall offer themselves for re-election as Directors at the 2019 AGM.

Pursuant to the Article 113 of the Company’s Articles of Association, no person, other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the registration office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgement of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

Accordingly, if a Shareholder wishes to nominate a person to stand for election as a Director at the AGM, notice of his intention to propose such person for election as a Director and the notice executed by the nominee of his willingness to be elected must be validly served at the principal place of business of the Company in Hong Kong at Room 1908, 19/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong, on or before 9:30 a.m. on the date of AGM.

LETTER FROM THE BOARD

If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received after the publication of the notice of the 2019 AGM, the Company will publish an announcement to inform Shareholders of the biographical details of the additional candidate proposed.

Pursuant to Rule 17.46A of the GEM Listing Rules, the biographical details of the Directors standing for re-election at the 2019 AGM are set out in Appendix I to this circular.

3. PROPOSED RE-APPOINTMENT OF AUDITORS

The Board (which agreed with the view of the Audit Committee of the Company) recommended that, subject to the approval of the Shareholders at the 2019 AGM, Deloitte Touche Tohmatsu be re-appointed as the external auditors of the Company for the financial year ending 31 December 2019.

4. GENERAL MANDATE TO ISSUE SHARES

On 12 June 2018, the then Shareholder granted a general mandate to the Directors from the Listing Date to allot and issue Shares and the general mandate will lapse on conclusion of the 2019 AGM. It will also be proposed, by way of ordinary resolution, that the Directors be given a general and unconditional mandate to exercise all powers of the Company to allot, issue and deal with the Shares up to 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of the ordinary resolution (i.e. the Issue Mandate). Such Issue Mandate will lapse on the earliest 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 or any applicable laws of the Cayman Islands to be held; or (iii) the passing of an ordinary resolution of Shareholders in a general meeting revoking, varying or renewing such mandate. The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issue Mandate. In order to ensure that the flexibility and discretion be given to the Directors in the event that it becomes desirable to allot, issue and deal with Shares, approval is being sought from the Shareholders for the granting of the Issue Mandate to the Directors to allot, issue and deal with additional Shares of up to a maximum of 20% of the total number of issued shares of the Company, subject to the passing of the relevant resolution to approve the Issue Mandate and on the basis of 400,000,000 Shares in issue as at the Latest Practicable Date and that no further shares to be allotted.

LETTER FROM THE BOARD

5. GENERAL MANDATE TO REPURCHASE SHARES

On 12 June 2018, the then Shareholder granted a general mandate to the Directors to repurchase Shares. Such mandate will lapse on the earliest 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 or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the authority by an ordinary resolution of the Shareholders in general meeting. The Directors wish to state that at present they have no immediate plan to repurchase any Shares pursuant to the Repurchase Mandate. A resolution to grant the Directors the Repurchase Mandate will be proposed at the 2019 AGM to enable the Directors to exercise the powers of the Company to repurchase its own issued and fully paid Shares up to a maximum of 10% of the total number of issued shares of the Company, subject to the passing of the relevant resolution to approve the Issue Mandate and on the basis of 400,000,000 Shares in issue as at the Latest Practicable Date and that no further shares to be allotted.

In accordance with Rules 13.07 and 13.08 of the GEM Listing Rules, an explanatory statement containing information reasonably necessary for the Shareholders to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate is set out in Appendix I to this circular.

6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

A notice of the 2019 AGM is set out on pages 19 to 23 of 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 2019 AGM.

A form of proxy for use at the 2019 AGM is enclosed with this circular and such form of proxy is also published on the GEM website at www.hkgem.com and the Company's website at www.ziyygroup.com.

Whether or not you are able or intend to attend the 2019 AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the 2019 AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the 2019 AGM or any adjourned thereof should you so wish.

LETTER FROM THE BOARD

7. VOTING BY POLL AT GENERAL MEETINGS

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith and in compliance with the GEM Listing Rules, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, pursuant to Article 72 of the Articles of Association, each resolution set out in the notice to the 2019 AGM which is put to vote at the 2019 AGM shall be decided by poll.

The Company will appoint scrutineers to handle vote-taking procedures at the 2019 AGM. The results of the poll will be published on the GEM website at www.hkgem.com and the Company's website at www.ziyygroup.com as soon as possible after the conclusion of the 2019 AGM.

8. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2019 AGM, the Register of Members of the Company will be closed from Monday, 6 May 2019 to Thursday, 9 May 2019, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the 2019 AGM, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as for registration not later than 4:30 p.m. on Friday, 3 May 2019.

9. RECOMMENDATION

The Directors consider that (i) the proposed grant of the Issue Mandate and Repurchase Mandate; (ii) the proposed re-election of Directors; and (iii) the proposed re-appointment of Auditors, in each case as described in this circular, are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of all the resolutions to be proposed at the 2019 AGM.

LETTER FROM THE BOARD

10. COMPETING INTERESTS

To the best knowledge of the Directors, save for the continuing connected transactions as disclosed in the section headed “Continuing Connected transactions” in the Prospectus, none of the Directors or the controlling Shareholders (as defined in the GEM Listing Rules) of the Company, nor any of their respective close associates (as defined in the GEM Listing Rules), had any interest as at the Latest Practicable Date that competes or may compete with the business of the Group, which would be required to be disclosed under Rule 11.04 of the GEM Listing Rules.

11. GENERAL

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

12. RESPONSIBILITY STATEMENT

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 relating to the Group. 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.

By Order of the Board
Ziyuanyuan Holdings Group Limited
Zhang Junshen
Chairman and Chief Executive Officer

This appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide requisite information to the Shareholders for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the AGM in relation to the granting of the Share Buy-back Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 400,000,000 Shares.

Subject to the passing of the ordinary resolution set out in item 6 of the notice of the AGM in respect of the granting of the Share Buy-back Mandate and on the basis that the issued shares of the Company remains unchanged on the date of the AGM, the Directors would be authorised under the Share Buy-back Mandate to repurchase, during the period in which the Share Buy-back Mandate remains in force, up to a maximum of 40,000,000 Shares, representing 10% of the total number of Shares in issue as at the date of the AGM.

The Share Issue Mandate will, if granted, remain effective until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws of the Cayman Islands or the Articles to be held; or
- (iii) its revocation, variation or renewal by an ordinary resolution of the Shareholders in a general meeting.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from Shareholders to enable the Directors to repurchase Shares at any time they consider appropriate for the enhancement of long-term shareholder value. An exercise of the Share Buy-back Mandate may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASES

Repurchases will be funded entirely from the Company's available cash flow or working capital from time to time which will be funds legally available under the Cayman Islands law and the Memorandum and the Articles for such purposes.

4. IMPACT OF REPURCHASES

The Directors would exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and in circumstances where they consider that the Shares can be repurchased on the terms favourable to the Company. There might be a material adverse impact on the working capital and/or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements contained in the annual report of the Company for the year ended 31 December 2018) in the event that the Share Buy-back Mandate was to be carried out in full at any time during the proposed buy-back period. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

5. MARKET PRICES OF SHARES

The highest and lowest traded prices for the Shares on the Stock Exchange during each of the twelve months immediately preceding and up to the Latest Practicable Date were as follows:

Month	Price per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2018		
July	3.20	0.95
August	1.50	0.90
September	1.13	0.85
October	0.93	0.80
November	1.19	0.81
December	1.17	0.84
2019		
January	1.00	0.80
February	0.97	0.90
March (up to the Latest Practicable Date)	1.04	0.88

6. REPURCHASE OF SECURITIES FROM CORE CONNECTED PERSONS

The GEM Listing Rules prohibit a company from knowingly purchasing shares 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 is prohibited from knowingly selling his/her/its shares to the Company, on GEM.

As at the Latest Practicable Date, no core connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

7. DIRECTORS AND THEIR CLOSE ASSOCIATES

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates has any present intention to sell any Shares to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

8. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase Shares pursuant to the Share Buy-back Mandate in accordance with the GEM Listing Rules and applicable laws of the Cayman Islands.

9. EFFECT OF TAKEOVERS CODE

If, as a result of a repurchase of Shares pursuant to the Share Buy-back Mandate, a Shareholder’s proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase in the Shareholder’s interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, the Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code or result in the aggregate number of Shares held by the public shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

10. SHARES REPURCHASES MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on GEM or otherwise) during the period from the Listing Date to the Latest Practicable Date.

The followings are the particulars of the retiring Directors proposed to be re-elected at the AGM:

(1) MR. ZHANG JUNSHEN

Mr. Zhang Junshen (“**Mr. Zhang**”), aged 32, was appointed as our Director on 28 October 2016 and was redesignated as Executive Director on 13 January 2017. He is also the chairman of our Board, the chief executive officer, the chairman of our nomination committee and the director of certain subsidiaries of the Company. He is responsible for strategic planning, operation planning and overall management of our Group. Mr. Zhang is vice president of Shenzhen Federation of Young Entrepreneurs* (深圳市青年企業家聯合會), a committee member of the Seventh Committee of Shenzhen Federation of Youth* (深圳市青年聯合會第七屆委員會) and a member of the People’s Congress Legal Work Committee of Futian District, Shenzhen Municipality* (深圳福田區人大法律工作委員會), and was elected in 2015 as a deputy to the Sixth Municipal People’s Congress of Shenzhen* (深圳市第六屆人大代表). Mr. Zhang has approximately ten years of experience in general corporate management and approximately four years of experience in finance leasing industry. Mr. Zhang is the elder brother of Mr. Zhang Junwei, the executive director of the Company. Mr. Zhang graduated from the University of Texas at Arlington in the United States with an executive master of business administration degree in December 2014.

Mr. Zhang has entered into a service agreement with the Company for an initial term of three years commencing from 9 July 2018 subject to retirement and re-election in accordance with the Articles and GEM Listing Rules, unless terminated by either party by giving at least three month’s written notice to the other. Pursuant to the service contract, Mr. Zhang is entitled to an annual remuneration of HK\$120,000 and discretionary bonuses, other benefits and retirement benefit-defined contribution scheme. The remuneration of Mr. Zhang is determined by reference to, among others, the responsibilities and duties assumed by him and will be reviewed and approved by the Remuneration Committee annually at the end of each financial year of the Company and any annual increment shall be decided in the sole discretion of the Board. In addition, Mr. Zhang has also entered into a service contract with a PRC subsidiary. The service contract can be terminated by either party by giving the other party one month’s written notice in advance or otherwise in accordance with the terms of the service contract. Pursuant to the service contract, Mr. Zhang is entitled to an annual remuneration of RMB360,000 and discretionary bonuses, other benefits and retirement benefit-defined contribution scheme.

Save as disclosed above, Mr. Zhang (i) does not hold any other positions with the Company or other members of the Group; (ii) has no relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iii) has not held any directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Mr. Zhang is interested in (i) 219,801,980 shares held by Hero Global Limited, a company wholly-owned by Mr. Zhang and (ii) 80,198,020 shares in which Mr. Zhang is deemed to be interested as a result of being a party acting-in-concert with Mr. Zhang Junwei within the meaning of Part XV of the SFO.

Mr. Zhang has confirmed that, save as disclosed above, there is no information in relation to his appointment which is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules or any other matter that needs to be brought to the attention of the Shareholders.

(2) MR. ZHANG JUNWEI

Mr. Zhang Junwei, aged 31, was appointed as our Non-executive Director on 13 January 2017 and was redesignated as our Executive Director on 9 November 2018. He is also a member of our remuneration committee and the director of certain subsidiaries of the Company. He is responsible for the overall business operation, business development and overall management of our Group. Mr. Zhang Junwei has approximately ten years of experience in general corporate management and investments. Mr. Zhang Junwei conducts review on our risk management policies and measures and oversees the relevant implementation conducted by different departments. Mr. Zhang Junwei is the younger brother of Mr. Zhang, the executive director of the Company. Mr. Zhang Junwei obtained a diploma in industrial and operations management from Republic Polytechnic in Singapore in May 2011.

Mr. Zhang Junwei has entered into a service agreement with the Company for an initial term of three years commencing from 9 November 2018 subject to retirement and re-election in accordance with the Articles and GEM Listing Rules, unless terminated by either party by giving at least three month's written notice to the other. Pursuant to the service contract, Mr. Zhang Junwei is entitled to an annual remuneration of HK\$120,000 and discretionary bonuses, other benefits and retirement benefit-defined contribution scheme. The remuneration of Mr. Zhang Junwei is determined by reference to, among others, the responsibilities and duties assumed by him and will be reviewed and approved by the Remuneration Committee annually at the end of each financial year of the Company and any annual increment shall be decided in the sole discretion of the Board.

Save as disclosed above, Mr. Zhang Junwei (i) does not hold any other positions with the Company or other members of the Group; (ii) has no relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iii) has not held any directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Mr. Zhang Junwei is interested in (i) 80,198,020 shares held by Icon Global Holding Limited, a company wholly-owned by Mr. Zhang Junwei and (ii) 219,801,980 shares in which Mr. Zhang Junwei is deemed to be interested as a result of being a party acting-in-concert with Mr. Zhang within the meaning of Part XV of the SFO.

Mr. Zhang Junwei has confirmed that, save as disclosed above, there is no information in relation to his appointment which is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules or any other matter that needs to be brought to the attention of the Shareholders.

(3) MS. SHEN QINGLI

Ms. Shen Qingli (“**Ms. Shen**”), aged 32, was appointed as our Non-executive Director on 13 January 2017. She is also a member of our audit committee and a director of a subsidiary of the Company. She is responsible for advising our Board on overall operation, development and administration of our Group. Ms. Shen has more than eight years of experience in corporate management and administrative matters. Ms. Shen graduated with a bachelor’s degree in human resources management from Shenzhen University (深圳大學) in the PRC in June 2009.

Ms. Shen has entered into a service agreement with the Company for an initial term of three years commencing from 9 July 2018 subject to retirement and re-election in accordance with the Articles and GEM Listing Rules, unless terminated by either party by giving at least three month’s written notice to the other. Pursuant to the service contract, Ms. Shen is entitled to an annual remuneration of HK\$120,000 and discretionary bonuses, other benefits and retirement benefit-defined contribution scheme. The remuneration of Ms. Shen is determined by reference to, among others, the responsibilities and duties assumed by him and will be reviewed and approved by the Remuneration Committee annually at the end of each financial year of the Company and any annual increment shall be decided in the sole discretion of the Board.

Save as disclosed above, Ms. Shen (i) does not hold any other positions with the Company or other members of the Group; (ii) has no relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iii) has no interest in the shares of the Company within the meaning of Part XV of the SFO; and (iv) has not held any directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Ms. Shen has confirmed that, save as disclosed above, there is no information in relation to his appointment which is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules or any other matter that needs to be brought to the attention of the Shareholders.

(4) MR. CHAN CHI FUNG LEO

Mr. Chan Chi Fung Leo (“**Mr. Chan**”), aged 40, was appointed as our Independent Non-executive Director on 12 June 2018. He is also the chairman of our audit committee and a member of our nomination committee and remuneration committee. Mr. Chan is responsible for providing independent advice to our Board. Mr. Chan has over 15 years of experience in finance and accounting industry. He also has extensive knowledge and expertise on capital markets transactions (such as initial public offerings, and merger and acquisitions). Since October 2017, Mr. Chan has been the responsible officer and managing director of Red Solar Capital Limited, a company providing advisory services on corporate finance. For May 2016 to October 2017, Mr. Chan was the managing director of LY Capital Limited. Since August 2017, Mr. Chan has been an independent non-executive director of Sisram Medical Ltd, the shares of which is listed on the main board of the Stock Exchange (stock code: 1696). Mr. Chan obtained his bachelor’s degree in business administration from the Hong Kong University of Science and Technology in Hong Kong in November 2001. Mr. Chan has been a member of HKICPA since October 2005.

Mr. Chan has entered into a service agreement with the Company for an initial term of three years commencing from 9 July 2018 subject to retirement and re-election in accordance with the Articles and GEM Listing Rules, unless terminated by either party by giving at least three month’s written notice to the other. Pursuant to the service contract, Mr. Chan is entitled to an annual remuneration of HK\$120,000 and discretionary bonuses, other benefits and retirement benefit-defined contribution scheme. The remuneration of Mr. Chan is determined by reference to, among others, the responsibilities and duties assumed by him and will be reviewed and approved by the Remuneration Committee annually at the end of each financial year of the Company and any annual increment shall be decided in the sole discretion of the Board.

Save as disclosed above, Mr. Chan (i) does not hold any other positions with the Company or other members of the Group; (ii) has no relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iii) has no interest in the shares of the Company within the meaning of Part XV of the SFO; and (iv) has not held any directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Chan has confirmed that, save as disclosed above, there is no information in relation to his appointment which is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules or any other matter that needs to be brought to the attention of the Shareholders.

(5) MR. LI ZHENSHENG

Mr. Li Zhenheng (“**Mr. Li**”), aged 40, was appointed as our Independent Non-executive Director on 12 June 2018. He is also the chairman of our remuneration committee, and a member of our nomination committee and the audit committee. Mr. Li is responsible for providing independent advice to our Board. Mr. Li has more than 15 years of experience in finance, private equity investment and asset management industry. Since February 2015, Mr. Li has been the executive director of Shenzhen Haishi Group Co., Ltd.* (深圳市海石集團有限公司) and the director and chief executive officer of Shenzhen Haishi Fund Management Co., Ltd.* (深圳市海石基金管理有限公司). Since June 2016, Mr. Li has been the chairman of Shenzhen Qianhai Mingsheng Information Consulting Co., Ltd.* (深圳前海銘晟信息諮詢有限公司) and the chairman of Shenzhen Qianhai Pengze Private Equity Fund Management Co. Ltd.* (深圳市前海鵬澤股權投資基金管理有限公司) since October 2014. Mr. Li has been registered as Chinese Registered Career Manager (中國註冊職業經理人) with China Enterprise Evaluation Association (中國企業評價協會) since May 2006. Mr. Li obtained a bachelor’s degree of international finance from the Guangdong University of Foreign Studies (廣東外語外貿大學) in the PRC in June 2000.

Mr. Li has entered into a service agreement with the Company for an initial term of three years commencing from 9 July 2018 subject to retirement and re-election in accordance with the Articles and GEM Listing Rules, unless terminated by either party by giving at least three month’s written notice to the other. Pursuant to the service contract, Mr. Li is entitled to an annual remuneration of HK\$120,000 and discretionary bonuses, other benefits and retirement benefit-defined contribution scheme. The remuneration of Mr. Li is determined by reference to, among others, the responsibilities and duties assumed by him and will be reviewed and approved by the Remuneration Committee annually at the end of each financial year of the Company and any annual increment shall be decided in the sole discretion of the Board.

Save as disclosed above, Mr. Li (i) does not hold any other positions with the Company or other members of the Group; (ii) has no relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iii) has no interest in the shares of the Company within the meaning of Part XV of the SFO; and (iv) has not held any directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Li has confirmed that, save as disclosed above, there is no information in relation to his appointment which is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules or any other matter that needs to be brought to the attention of the Shareholders.

(6) MR. CHOW SIU HANG

Mr. Chow Siu Hang (“**Mr. Chow**”), aged 42, was appointed as our Independent Non-executive Director on 12 June 2018. Mr. Chow is responsible for providing independent advice to our Board. Mr. Chow has approximately 20 years of experience in finance and accounting industry. He also has extensive knowledge and expertise on capital market transactions including initial public offerings, financial advisory, and merger and acquisitions. All his experience in the corporate finance market and investment banking enables him to support our Group’s operations through providing advices on funding solutions and their intended applications, and to assist our Group in formulating our overall business strategies and development plan. Since April 2018, Mr. Chow has been the managing director of Essence Corporate Finance (Hong Kong) Limited. Mr. Chow also worked at Celestial Capital Limited and his last position was managing director and head of investment banking group. Mr. Chow has been a fellow member of HKICPA and the Association of Chartered Certified Accountants. Mr. Chow obtained his bachelor’s degree in accountancy from the City University of Hong Kong in November 1998.

Mr. Chow has entered into a service agreement with the Company for an initial term of three years commencing from 9 July 2018 subject to retirement and re-election in accordance with the Articles and GEM Listing Rules, unless terminated by either party by giving at least three month’s written notice to the other. Pursuant to the service contract, Mr. Chow is entitled to an annual remuneration of HK\$120,000 and discretionary bonuses, other benefits and retirement benefit-defined contribution scheme. The remuneration of Mr. Chow is determined by reference to, among others, the responsibilities and duties assumed by him and will be reviewed and approved by the Remuneration Committee annually at the end of each financial year of the Company and any annual increment shall be decided in the sole discretion of the Board.

Save as disclosed above, Mr. Chow (i) does not hold any other positions with the Company or other members of the Group; (ii) has no relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iii) has no interest in the shares of the Company within the meaning of Part XV of the SFO; and (iv) has not held any directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Chow has confirmed that, save as disclosed above, there is no information in relation to his appointment which is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules or any other matter that needs to be brought to the attention of the Shareholders.

* *For identification purpose only*

NOTICE OF THE ANNUAL GENERAL MEETING



Ziyuanyuan Holdings Group Limited

紫元元控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8223)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (“AGM”) of Ziyuanyuan Holdings Group Limited (the “**Company**”) will be held at 14/F, Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong on Thursday, 9 May 2019 at 11:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “**Director**”) of the Company and auditor of the Company for the year ended 31 December 2018.
2. To re-elect, each as a separate resolution:
 - (a) Mr. Zhang Junshen as an executive Director of the Company;
 - (b) Mr. Zhang Junwei as an executive Director of the Company;
 - (c) Ms. Shen Qingli as a non-executive Director of the Company;
 - (d) Mr. Chan Chi Fung Leo as an independent non-executive Director of the Company;
 - (e) Mr. Li Zhensheng as an independent non-executive Director of the Company;
 - (f) Mr. Chow Siu Hang as an independent non-executive Director of the Company;
3. To authorise the board of Directors of the Company to fix the respective remuneration of the Directors.

NOTICE OF THE ANNUAL GENERAL MEETING

4. To re-appoint Deloitte Touche Tohmatsu as the auditor of the Company and to authorise the board of Directors of the Company to fix their remuneration.
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) of this resolution and pursuant to the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval given in paragraph (a) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option schemes of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants or any securities which are convertible into shares of the Company, shall not exceed 20% of the total number of issued shares of the Company as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

NOTICE OF THE ANNUAL GENERAL MEETING

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest 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 its articles of association or any applicable laws of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking, varying or renewing the authority given to the directors of the Company by this resolution;

“**Rights Issue**” means an offer of shares, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the directors of the Company to 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 (subject to such exclusion or other arrangements as the directors of the Company 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, or the expense or delay which may be involved in determining the existence or extent of 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).”

NOTICE OF THE ANNUAL GENERAL MEETING

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all powers of the Company to repurchase the shares on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**SFC**”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Law of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of shares which may be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the total number of issued shares of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution 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 earliest 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 its articles of association or any applicable laws of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking, varying or renewing the authority given to the directors of the Company by this resolution.”

NOTICE OF THE ANNUAL GENERAL MEETING

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** subject to the passing of resolutions no. 5 and no. 6 above, the general mandate granted to the directors of the Company to allot, issue and deal with unissued shares pursuant to resolution no. 5 be and is hereby extended by the addition thereto of an amount representing the aggregate number of shares repurchased by the Company under the authority granted pursuant to resolution no. 6, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of the passing of this resolution.”

By Order of the Board
Ziyuanyuan Holdings Group Limited
Zhang Junshen
Chairman and Chief Executive Officer

Hong Kong, 29 March 2019

Notes:

1. A member entitled to attend and vote at the AGM convened by the above notice is entitled to appoint one or more proxy(ies) to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the AGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the AGM (i.e. not later than 4:30 p.m. on Monday, 6 May 2019) or any adjournment thereof. Completion and delivery of the form of proxy will not preclude a member of the Company from attending and voting in person at the AGM or any adjournment thereof, and in such event, the proxy form shall be deemed to be revoked.
3. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Tuesday, 7 May 2019 to Thursday, 9 May 2019, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 6 May 2019.
4. Reference to time and dates in this notice are to Hong Kong time and dates.