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KAI YUAN HOLDINGS LIMITED

開源控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 1215)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT a special general meeting (the “**Meeting**”) of Kai Yuan Holdings Limited (the “**Company**”) will be held at 9:30 a.m. on 12 December 2019 at Board Room, Level 1, South Pacific Hotel, 23 Morrison Hill Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing the following resolutions, with or without amendments, as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (i) the sale and purchase agreement (the “**Sale and Purchase Agreement**”, a copy of which has been produced to the Meeting marked “A” and signed by the chairman of the Meeting for the purpose of identification) dated 22 October 2019 entered into among 上海泰普星坦新材料有限公司 (Shanghai Top Star Advanced Materials Co. Ltd*) (a wholly-owned subsidiary of the Company) as purchaser, 靳輝 (Jin Hui*) as vendor and 北京凱瑞英科技有限公司 (Beijing Chemical Reaction Engineering Science & Technology Co., Ltd*) as the target company (the “**Target Company**”) in relation to the sale and purchase of 30.875% equity interest of the Target Company at the aggregate consideration of RMB12,350,000, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(ii) the directors of the Company be and are hereby authorised on behalf of the Company to do all such things and sign, seal, execute, perfect and deliver all such documents as they may in their discretion consider necessary, desirable or expedient, for the purposes of or in connection with the implementation and/or give effect to any matters relating to the Sale and Purchase Agreement and the transactions contemplated thereunder.”

2. “**THAT** conditional on the passing of the resolution numbered 1 as set out in the notice convening the SGM:

(i) the shareholders’ agreement (the “**Shareholders Agreement**”, a copy of which has been produced to the Meeting marked “B” and signed by the chairman of the Meeting for the purpose of identification) dated 22 October 2019 entered into, among others, 上海泰普星坦新材料有限公司 (Shanghai Top Star Advanced Materials Co. Ltd*) (a wholly-owned subsidiary of Kai Yuan Holdings Limited) (the “**Purchaser**”) and 北京凱瑞英科技有限公司 (Beijing Chemical Reaction Engineering Science & Technology Co., Ltd*) as the target company (the “**Target Company**”), pursuant to which the shareholders of the Target Company agreed to regulate the shareholders’ rights in the Target Company and its subsidiaries upon completion of the acquisition of 30.875% equity interest of the Target Company by the Purchaser and all the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(ii) the directors of the Company be and are hereby authorised on behalf of the Company to do all such things and sign, seal, execute, perfect and deliver all such documents as they may in their discretion consider necessary, desirable or expedient, for the purposes of or in connection with the implementation and/or give effect to any matters relating to the Shareholders Agreement and the transactions contemplated thereunder.”

By order of the Board
Kai Yuan Holdings Limited
Law Wing Chi, Stephen
Executive Director

Hong Kong, 26 November 2019

Registered office:

Victoria Place
5th Floor
31 Victoria Street
Hamilton, HM 10
Bermuda

Principal place of business in Hong Kong:

28th Floor, Chinachem Century Tower
178 Gloucester Road, Wanchai
Hong Kong

* *For identification purpose only*

Notes:

1. A form of proxy for use at the Meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either executed under its common seal or under the hand of any officer, attorney or other person duly authorised to sign the same.
3. Any shareholder entitled to attend and vote at the Meeting or at any adjourned meeting thereof (as the case may be) is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint not more than two proxies (who must be an individual or individuals) to attend vote instead of him/her on the same occasion. A proxy need not be a shareholder of the Company but must attend the Meeting in person to represent him/her.
4. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, not later than 48 hours before the time appointed for holding the Meeting or any adjourned meeting thereof (as the case may be). Such prescribed form of proxy for use at the Meeting is also published on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company at http://www.kaiyuanholdings.com/en_us/home_eng.php.
5. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
6. Where there are joint registered holders of any share(s), any one such joint holders may attend and vote at the Meeting or at any adjourned meeting thereof (as the case may be), either in person or by proxy, in respect of such share(s) as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the Meeting or at any adjourned meeting thereof (as the case may be), the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
7. As at the date of this notice, the executive directors of the Company are Mr. Xue Jian and Mr. Law Wing Chi, Stephen; and the independent non-executive directors of the Company are Mr. Tam Sun Wing, Mr. Ng Ge Bun and Mr. He Yi.