
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 2020 AGM of the Company to be held at Room 1908, 19/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Friday, 22 May 2020 at 11:00 a.m. or any adjourned meeting hereof to approve matters referred to in this circular is set out on pages 15 to 19 of this circular. A form of proxy for use by the Shareholders at the 2020 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 2020 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 54, 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 2020 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 2020 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.

8 April 2020

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:

“2020 AGM”	the annual general meeting of the Company to be held at Room 1908, 19/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Friday, 22 May 2020 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 15 to 19 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 2020 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”	31 March 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information included in this circular
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the 2020 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:

Mr. Lyu Di

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

8 April 2020

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 2020 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, two current Directors appointed by the Board will retire at the conclusion of the forthcoming annual general meeting of the Company be held on Friday, 22 May 2020 (the “**2020 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. Lyu Di and Mr. Chan Chi Fung Leo will all retire from office at the 2020 AGM. All the retiring Directors, being eligible, shall offer themselves for re-election as Directors at the 2020 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 2020 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 2020 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 2020 AGM, Deloitte Touche Tohmatsu be re-appointed as the external auditors of the Company for the financial year ending 31 December 2020.

4. GENERAL MANDATE TO ISSUE SHARES

The Company's existing mandate to issue shares was approved by ordinary resolutions at the annual general meeting held on 9 May 2019. The existing mandate to issue Shares will lapse at the conclusion of the 2020 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

The Company's existing mandate to repurchase shares was approved by ordinary resolutions at the annual general meeting held on 9 May 2019. 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 2020 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 2020 AGM is set out on pages 15 to 19 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 2020 AGM.

A form of proxy for use at the 2020 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 2020 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 54, 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 2020 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 2020 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 2020 AGM which is put to vote at the 2020 AGM shall be decided by poll.

The Company will appoint scrutineers to handle vote-taking procedures at the 2020 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 2020 AGM.

8. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2020 AGM, the Register of Members of the Company will be closed from Tuesday, 19 May 2020 to Friday, 22 May 2020, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the 2020 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as for registration not later than 4:30 p.m. on Monday, 18 May 2020.

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 2020 AGM.

LETTER FROM THE BOARD

10. COMPETING INTERESTS

To the best knowledge of the Directors, save for the connected transactions as disclosed in the section headed “Connected transactions” in the Company’s annual report for the year ended 31 December 2019, 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 2019) 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 <i>HK\$</i>	Lowest <i>HK\$</i>
2019		
March	1.07	0.88
April	1.00	0.93
May	1.07	0.92
June	1.30	0.96
July	1.27	1.09
August	1.14	1.02
September	1.32	0.99
October	1.22	0.99
November	1.17	1.00
December	1.08	1.01
2020		
January	1.07	1.00
February	1.05	0.91
March (up to the Latest Practicable Date)	1.05	0.90

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 Relevant Period.

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

(1) MR. LYU DI

Mr. Lyu Di (“**Mr. Lyu**”), aged 33, was appointed as our Director on 15 August 2019. He is also a member of our audit committee. He is responsible for the project investments and capital market operations of our Group. Mr. Lyu has over seven years of experience in investments and capital market. From December 2014 to May 2019, Mr. Lyu worked at Shenzhen Qianhai Black Swan Asset Management Company Limited with his last position as fund manager. He worked at Huatai Jinkong Investment Consulting (Shenzhen) Co Ltd* (華泰金控投資諮詢(深圳)有限公司) from October 2013 to November 2014 with his last position as an analyst and he was also a representative in Type 4 (advising on securities) regulated activity under the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “SFO”) at Huatai Financial Holdings (Hong Kong) Limited from March 2014 to November 2014. Mr. Lyu graduated from Deakin University with a Bachelor of Commerce degree, majoring in finance in October 2010. He further obtained a Master of Commerce degree majoring in finance and banking from the University of Sydney in October 2012.

Mr. Lyu has entered into a service agreement with the Group for an initial term of three years commencing from 15 August 2019 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. Lyu is entitled to an annual remuneration of RMB360,000 and discretionary bonuses, other benefits and retirement benefit-defined contribution scheme. The remuneration of Mr. Lyu 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. Lyu (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. Lyu 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

(2) MR. CHAN CHI FUNG LEO

Mr. Chan Chi Fung Leo (“**Mr. Chan**”), aged 41, 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.

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 Room 1908, 19/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Friday, 22 May 2020 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 2019.
2. To re-elect, each as a separate resolution:
 - (a) Mr. Lyu Di as a non-executive Director of the Company; and
 - (b) Mr. Chan Chi Fung Leo 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.
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 its remuneration.

NOTICE OF THE ANNUAL GENERAL MEETING

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).”

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;

NOTICE OF THE ANNUAL GENERAL MEETING

(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.”

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.”

NOTICE OF THE ANNUAL GENERAL MEETING

8. To declare a final dividend of HK3 cents per share of the Company for the year ended 31 December 2019.

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

Hong Kong, 8 April 2020

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 54, 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 11:00 a.m. on Wednesday, 20 May 2020) 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, 19 May 2020 to Friday, 22 May 2020, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 18 May 2020.
4. For determining Shareholders' entitlement to the final dividend, the register of members of the Company will be closed from Monday, 1 June 2020 to Tuesday, 2 June 2020, during which period no transfer of shares will be registered. The record date for determination of entitlement to the final dividend shall be Tuesday, 2 June 2020. Shareholders whose names appear on the register of members of the Company on Tuesday, 2 June 2020 will be entitled to the final dividend. To qualify for the final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Friday, 29 May 2020.
5. If Typhoon Signal No. 8 or above, "extreme conditions" caused by super typhoons, or a "black" rainstorm is in effect any time after 7:00 a.m. on the date of AGM, the meeting will be postponed. The Company will post an announcement on the website of the Company at www.ziyygroup.com and on the HKExnews website of The Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and place of the rescheduled meeting.
6. Reference to time and dates in this notice are to Hong Kong time and dates.