

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Sheng Yuan Holdings Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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盛源控股有限公司

SHENG YUAN HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 851)

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Sheng Yuan Holdings Limited to be held at Meeting Room, 26/F, No. 238 Des Voeux Road Central, Sheung Wan, Hong Kong at 10:00 a.m. on Tuesday, 1 June 2021 is enclosed. A form of proxy is also enclosed.

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

30 April 2021

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RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DEFINITIONS

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

“AGM Notice”	notice of the Annual General Meeting which is set out on pages 15 to 19 of this circular
“Annual General Meeting”	the annual general meeting of the Company to be held at Meeting Room, 26/F, No. 238 Des Voeux Road Central, Sheung Wan, Hong Kong at 10:00 a.m. on Tuesday, 1 June 2021, to consider and, if appropriate, to approve the resolutions to be proposed at the Annual General Meeting or any adjournment thereof
“associate(s)”	has the same meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“Code”	the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs
“Company”	Sheng Yuan Holdings Limited, an exempt company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Existing Issue Mandate”	a general mandate granted to the Directors at the annual general meeting of the Company held on 28 May 2020 to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at 28 May 2020
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	22 April 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	the nomination committee of the Board

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Issue Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such proposed issue mandate
“Proposed Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of relevant resolution granting such proposed repurchase mandate
“Retiring Directors”	Mr. Liu Yang, Mr. Zhou Quan, Mr. Zhao Yun, Ms. Wen Han Qiuzi and Ms. Huang Qin
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.05 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

LETTER FROM THE BOARD



盛源控股有限公司

SHENG YUAN HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 851)

Executive Directors:

Mr. Liu Yang (*Chairman and Chief Executive Director*)

Mr. Zhou Quan

Mr. Zhao Yun

Registered office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Non-executive Director:

Mr. Huang Shuanggang

Principal place of business

in Hong Kong:

26/F

No. 238 Des Voeux Road Central

Sheung Wan

Hong Kong

Independent non-executive Directors:

Mr. Zhang Jinfan

Ms. Wen Han Qiuzi

Ms. Huang Qin

30 April 2021

To the Shareholders,

and for information only, holders of Options of the Company

Dear Sir or Madam,

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the Annual General Meeting for the approval of (a) proposed re-election of the Retiring Directors; (b) the grant to the Directors of the Proposed Issue Mandate; (c) the grant to the Directors of the Proposed Repurchase Mandate; and (d) the extension of the Proposed Issue Mandate to issue Shares by adding to it the aggregate number of issued Shares repurchased under the Proposed Repurchase Mandate, together with the AGM Notice.

LETTER FROM THE BOARD

PROPOSED RE-ELECTION OF RETIRING DIRECTORS

Pursuant to the Bye-laws, the Directors have the power to appoint any person as a Director from time to time to fill a casual vacancy on the Board and any Director so appointed by the Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election at that meeting. Accordingly, Ms. Wen Han Qiuzi and Ms. Huang Qin, being the Directors appointed by the Board to fill the casual vacancy, shall hold office only until the Annual General Meeting and be eligible for re-election at the Annual General Meeting.

Pursuant to the Bye-laws, Mr. Liu Yang, Mr. Zhou Quan and Mr. Zhao Yun shall retire by rotation from office at the Annual General Meeting. All of them being eligible, will offer themselves for re-election at the Annual General Meeting.

Brief biographies of the Retiring Directors to be re-elected at the Annual General Meeting are set out in Appendix I to this circular.

The Nomination Committee had assessed and reviewed the written confirmation of independence of each of Ms. Wen Han Qiuzi and Ms. Huang Qin based on the independence criteria as set out in Rule 3.13 of the Listing Rules and is satisfied that each of them remain independent in accordance with Rule 3.13 of the Listing Rules.

The Nomination Committee is of the view that each of Ms. Wen Han Qiuzi and Ms. Huang Qin would bring to the Board each of their perspective, skills and experience in the financial related industry, as further described in their biography in Appendix I to this circular. Based on the board diversity policy adopted by the Company, the Nomination Committee also considers that each of Ms. Wen Han Qiuzi and Ms. Huang Qin's working experience in the legal industry would contribute to the diversity of the Board.

The Nomination Committee has reviewed the structure and composition of the Board, the qualifications, skills, knowledge and experience and contributions of the Retiring Directors (including Ms. Wen Han Qiuzi and Ms. Huang Qin), having regard to the nomination policy and the board diversity policy of the Company. The Nomination Committee is of the view that the Retiring Directors have extensive experience in different fields and professions that are relevant to the Company's business. In addition, their respective background, experience and knowledge allow them to provide valuable and relevant insights and contribute to the diversity of the Board. Accordingly, the Nomination Committee has recommended them to the Board for re-election and the Board has endorsed the recommendations of the Nomination Committee and recommended all Retiring Directors to stand for re-election at the Annual General Meeting.

LETTER FROM THE BOARD

PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 28 May 2020, an ordinary resolution was passed granting the Existing Issue Mandate to the Directors.

In accordance with the provisions of the Listing Rules and the terms of the Existing Issue Mandate, the Existing Issue Mandate shall lapse if, among others, they are revoked or varied by ordinary resolutions of the Shareholders in general meeting.

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be granted the Proposed Repurchase Mandate during the period ending on the earliest of the date of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or the date upon which such authority is revoked or varied.

Ordinary resolution set out as resolution 4(1)(d) in the AGM Notice will be proposed at the Annual General Meeting to revoke the Existing Issue Mandate. Ordinary resolutions to consider, and if thought fit, to approve the Proposed Issue Mandate and the Proposed Repurchase Mandate as set out in resolutions 4(1)(a), (b), (c) and (e) and resolutions 4(2)(a), (b) and (c) in the AGM Notice respectively will also be proposed at the Annual General Meeting. With reference to the Proposed Issue Mandate and the Proposed Repurchase Mandate, the Directors wish to state that they have no immediate plans to issue or repurchase any Shares pursuant thereto. As at the Latest Practicable Date, the number of Shares in issue was 3,819,705,413 Shares. Subject to the passing of the resolution granting the Proposed Issue Mandate and on the basis that no further Shares will be issued or repurchased before the Annual General Meeting, the Company will be allowed to issue a maximum of 763,941,082 Shares upon exercise of the Proposed Issue Mandate in full.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Proposed Repurchase Mandate is set out in Appendix II to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the Annual General Meeting.

Ordinary resolution set out as resolution 4(3) in the AGM Notice will also be proposed at the Annual General Meeting to extend the Proposed Issue Mandate by adding to it the aggregate number of issued Shares repurchased under the Proposed Repurchase Mandate.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held at Meeting Room, 26/F, No. 238 Des Voeux Road Central, Sheung Wan, Hong Kong at 10:00 a.m. on Tuesday, 1 June 2021 is set out on pages 15 to 19 of this circular.

A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend and vote at the Annual General Meeting in person, you are requested to complete the form of proxy and return it to the office of the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting. Completion and return of the form of proxy will not prevent you from attending and voting at the Annual General Meeting or any adjourned meeting should you so wish.

RECOMMENDATION

The Directors consider that the proposed resolutions for approval of (a) proposed re-election of the Retiring Directors; (b) the grant of the Proposed Issue Mandate; (c) the grant of the Proposed Repurchase Mandate; and (d) the extension of the Proposed Issue Mandate by adding to it the aggregate number of issued Shares repurchased under the Proposed Repurchase Mandate are in the interests of the Company, the Shareholders and, in particular, the Group as a whole. The Directors therefore recommend the Shareholders to vote in favour of the resolutions to be proposed at the Annual General Meeting.

PRECAUTIONARY MEASURES AGAINST COVID-19

Taking into account of the recent development of the epidemic caused by novel coronavirus pneumonia (COVID-19), the Company will implement the following prevention and control measures at the Annual General Meeting against the epidemic to protect the Shareholders from the risk of infection: –

- (i) Compulsory body temperature check will be conducted for every Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to venue.
- (ii) Every Shareholder or proxy is required to wear surgical face mask throughout the meeting and not wearing surgical face mask will not be permitted access to the meeting venue.
- (iii) No corporate gifts will be distributed.
- (iv) No refreshment will be served.
- (v) Other safe distancing measures as appropriate.

LETTER FROM THE BOARD

- (vi) Appropriate distancing and spacing in line with the guidance from the HKSAR Government will be maintained and as such, the Company may limit the number of attendees at the Annual General Meeting as may be necessary to avoid overcrowding.

In light of the continuing risks posed by the COVID-19 pandemic, the Company strongly encourages Shareholders NOT to attend the Annual General Meeting in person, and advises Shareholders to appoint the Chairman of the Annual General Meeting or any Director of the Company as their proxy to vote according to their indicated voting instructions as an alternative to attending the Annual General Meeting in person. Shareholders are advised to read the abovementioned for further detail and monitor the development of COVID-19. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.

GENERAL INFORMATION

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

Yours faithfully,
For and on behalf of the Board
Sheng Yuan Holdings Limited
Liu Yang
Chairman

This Appendix sets out the information, as required to be disclosed by the Listing Rules, on the Retiring Directors proposed to be re-elected at the Annual General Meeting.

Mr. Liu Yang (“Mr. Liu”)

Mr. Liu Yang, aged 35, was appointed as an executive Director, chairman of the Board and chief executive officer of the Company in January 2020. Mr. Liu received his Bachelor of Science degree in Mathematics and Applied Mathematics from Peking University, China. Mr. Liu has extensive experience in investment and management experience. Before joining the Company, Mr. Liu was the executive director of an investment management company. Mr. Liu is also currently an executive director and the CEO of Yuanyin Holdings Limited, a substantial shareholder of the Company.

Mr. Liu has entered into a contract of appointment with the Company on 31 January 2020, pursuant to which Mr. Liu will be entitled to a fixed monthly emoluments of HK\$50,000, with bonus payable at the discretion of the Board. The contract of appointment entered into between Mr. Liu and the Company has no fixed term but may be terminated by either party by giving three months’ written notice or payment in lieu. Mr. Liu’s directorship is subject to rotation and re-election at general meetings of the Company in accordance with the bye-laws of the Company. The emoluments were mutually agreed upon between the Board and Mr. Liu with reference to his duties and responsibilities towards the Company and prevailing market conditions. Such emoluments are subject to review by the Board from time to time pursuant to the power conferred on it in the annual general meeting of the Company.

Save as disclosed, as at the Latest Practicable Date, Mr. Liu (i) did not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; (ii) did not have any interests in the Shares within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the Latest Practicable Date; and (iv) did not hold other positions with other members of the Group.

Save as disclosed, there is no other information in relation to the re-election of Mr. Liu which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters in relation to the re-election of Mr. Liu that need to be brought to the attention of the holders of securities of the Company.

Mr. Zhou Quan (“Mr. Zhou”)

Mr. Zhou Quan, aged 37, was appointed as an executive Director in May 2019. Mr. Zhou obtained his master’s degree in accountancy from The George Washington University. Mr. Zhou has extensive experience in finance and accounting field. Currently, Mr. Zhou is the managing director of Yuanyin Finance Limited, a subsidiary of Yuanyin Holdings Limited.

Mr. Zhou has entered into a contract of appointment with the Company, pursuant to which Mr. Zhou will be entitled to a director’s fee of HK50,000 per month, with bonus payable at the discretion of the Board. The contract of appointment entered into between Mr. Zhou and the Company has no fixed term but may be terminated by either party by giving

three months' written notice or payment in lieu. Mr. Zhou's directorship is subject to rotation and re-election at general meetings of the Company in accordance with the bye-laws of the Company. The emoluments were mutually agreed upon between the Board and Mr. Zhou with reference to his duties and responsibilities towards the Company and prevailing market conditions. Such emoluments are subject to review by the Board from time to time pursuant to the power conferred on it in the annual general meeting of the Company.

Save as disclosed, as at the Latest Practicable Date, Mr. Zhou (i) did not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; (ii) did not have any interests in the Shares within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the Latest Practicable Date; and (iv) did not hold other positions with other members of the Group.

Save as disclosed, there is no other information in relation to the re-election of Mr. Zhou which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters in relation to the re-election of Mr. Zhou that need to be brought to the attention of the holders of securities of the Company.

Mr. Zhao Yun ("Mr. Zhao")

Mr. Zhao Yun, aged 36, was appointed as a non-executive Director in May 2019 and re-designated as an executive Director in March 2020. Mr. Zhao obtained his master's degree in economics from Southwest Jiaotong University. Mr. Zhao had worked as a senior management with various large corporations in mainland China and gain extensive experience in corporate restructuring, IPO listing, business operations management, assets and capital management.

Mr. Zhao has entered into a contract of appointment with the Company, pursuant to which Mr. Zhao will be entitled to a remuneration of HK50,000 per month, with bonus payable at the discretion of the Board. The contract of appointment entered into between Mr. Zhao and the Company has no fixed term but may be terminated by either party by giving three months' written notice or payment in lieu. Mr. Zhao's directorship is subject to rotation and re-election at general meetings of the Company in accordance with the bye-laws of the Company. The emoluments were mutually agreed upon between the Board and Mr. Zhao with reference to his duties and responsibilities towards the Company and prevailing market conditions. Such emoluments are subject to review by the Board from time to time pursuant to the power conferred on it in the annual general meeting of the Company.

Save as disclosed, as at the Latest Practicable Date, Mr. Zhao (i) did not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; (ii) did not have any interests in the Shares within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the Latest Practicable Date; and (iv) did not hold other positions with other members of the Group.

Save as disclosed, there is no other information in relation to the re-election of Mr. Zhao which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters in relation to the re-election of Mr. Zhao that need to be brought to the attention of the holders of securities of the Company.

Ms. Wen Han Qiuzi (“Ms. Wen”)

Ms. Wen Han Qiuzi, aged 39, had served as the associate research professor at School of Mathematical Sciences, Peking University, the director assistant at National Engineering for Big data analysis and Application Technology from June 2019 to present. Before that, Ms. Wen was the research scientist at the Climate Research Division of Environment Canada, Toronto, Canada, and the Assistant researcher at Institute of Atmospheric Physics at Chinese Academy of Sciences, Beijing. Ms. Wen received her Ph.D. in statistics from York University, Toronto, Canada in 2010 and bachelor’s degree in mathematical statistics from Peking University, Beijing, China in 2002. Ms. Wen has extensive experience in big data analysis and application technology, fintech technology, etc.

Pursuant to the letter of appointment signed with the Company, Ms. Wen was appointed for a term of one year and her appointment is subject to retirement by rotation and re-election in accordance with the bye-laws of the Company. Ms. Wen is entitled to a director’s fee of HK\$10,000 per month. The director’s fee has been mutually agreed upon between the Board and Ms. Wen with reference to her duties and responsibilities towards the Company and prevailing market conditions.

Save as disclosed, as at the Latest Practicable Date, Ms. Wen (i) did not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; (ii) did not have any interests in the Shares within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the Latest Practicable Date; and (iv) did not hold other positions with other members of the Group.

Save as disclosed, there is no other information in relation to the re-election of Ms. Wen which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters in relation to the re-election of Ms. Wen that need to be brought to the attention of the holders of securities of the Company.

Ms. Huang Qin (“Ms. Huang”)

Ms. Huang Qin, aged 35, has served as the finance director of Eyebuydirect Group, a subsidiary of Essilor Group, a leading French optometry company, since 2019. Prior to this, Ms. Huang worked as a senior analyst in Shanghai Roche Pharmaceuticals Co., Ltd., as a senior auditor in Deloitte Touche Tohmatsu and engaged in other financial and audit related work. Ms. Huang received her master’s degree in accounting from the California State University, Los Angeles in 2009 and bachelor’s degree from Shanghai University of International Business and Economics in 2007. Ms. Huang has extensive experience in financial accounting and corporate management.

Pursuant to the letter of appointment signed with the Company, Ms. Huang was appointed for a term of one year and her appointment is subject to retirement by rotation and re-election in accordance with the bye-laws of the Company. Ms. Huang is entitled to a director's fee of HK\$10,000 per month. The director's fee has been mutually agreed upon between the Board and Ms. Huang with reference to her duties and responsibilities towards the Company and prevailing market conditions.

Save as disclosed, as at the Latest Practicable Date, Ms. Huang (i) did not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; (ii) did not have any interests in the Shares within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the Latest Practicable Date; and (iv) did not hold other positions with other members of the Group.

Save as disclosed, there is no other information in relation to the re-election of Ms. Huang which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters in relation to the re-election of Ms. Huang that need to be brought to the attention of the holders of securities of the Company.

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to be proposed at the Annual General Meeting in relation to the Proposed Repurchase Mandate.

(1) Share Capital

As at the Latest Practicable Date, the number of Shares in issue was 3,819,705,413 Shares. Subject to the passing of the resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares will be issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 381,970,541 Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

(2) Source of Funds

Repurchases must be funded out of fund legally available for the purpose and in accordance with the Bye-laws and the laws of the jurisdiction in which the company is incorporated or otherwise established.

(3) Reasons for Repurchases

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions, and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and, or earnings per share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the currently prevailing market value, it would have a material adverse impact on the working capital position and gearing position of the Company, as compared with the positions disclosed in the audited consolidated accounts of the Company for the year ended 31 December 2020, being the date to which the latest published accounts of the Company were made up. The Directors do not propose to exercise the general mandate to repurchase Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

(4) Share Prices

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the 12 months immediately preceding the Latest Practicable Date:

Month	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2020		
April	0.110	0.090
May	0.105	0.022
June	0.034	0.026
July	0.036	0.024
August	0.030	0.026
September	0.028	0.022
October	0.030	0.019
November	0.028	0.016
December	0.031	0.022
2021		
January	0.028	0.023
February	0.031	0.022
March	0.047	0.027
April (up to and including the Latest Practicable Date)	0.064	0.028

(5) General

To the best of their knowledge, having made all reasonable enquiries, none of the Directors or any of their associates currently intends to sell any Shares to the Company or its subsidiaries in the event that the Proposed Repurchase Mandate is approved.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Proposed Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, in the event that the Proposed Repurchase Mandate is approved.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Code.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.

NOTICE OF ANNUAL GENERAL MEETING



盛源控股有限公司

SHENG YUAN HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 851)

NOTICE IS HEREBY GIVEN that an annual general meeting of Sheng Yuan Holdings Limited (the “**Company**”) will be held at Meeting Room, 26/F, No. 238 Des Voeux Road Central, Sheung Wan, Hong Kong at 10:00 a.m. on Tuesday, 1 June 2021 at (or an adjournment thereof) for the following purposes:-

1. To receive and consider the audited financial statements and the report of the directors and auditors for the year ended 31 December 2020;
2. To consider and approve, each as a separate resolution, if thought fit, the following resolutions:
 - (a) To re-elect Mr. Liu Yang as an executive director of the Company;
 - (b) To re-elect Mr. Zhou Quan as an executive director of the Company;
 - (c) To re-elect Mr. Zhao Yun as an executive director of the Company;
 - (d) To re-elect Ms. Wen Han Qiuzi as an independent non-executive director of the Company;
 - (e) To re-elect Ms. Huang Qin as an independent non-executive director of the Company;
 - (f) To authorize the board of directors of the Company to fix their remuneration;
3. To re-appoint the auditor of the Company and to authorise the board of directors to fix their remuneration;
4. To consider and, if thought fit, passing with or without modification, the following resolutions as ordinary resolutions of the Company:-

ORDINARY RESOLUTIONS

(1) “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional shares of the Company (“**Shares**”) or securities convertible into Shares, or options, warrants or similar rights to subscribe

NOTICE OF ANNUAL GENERAL MEETING

for any Shares, and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall be in addition to any other authorisations given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:-
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
 - (iii) the exercise of any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or right to acquire Shares;
 - (iv) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-laws of the Company;

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly;

- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and

NOTICE OF ANNUAL GENERAL MEETING

(e) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:-

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Bye-laws of the Company to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting;

“**Rights Issue**” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

(2) “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Buy-backs, and subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purpose of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:-
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Bye-laws of the Company to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”
- (3) “**THAT** conditional upon the passing of the Resolutions 4(1) and 4(2) as set out in the notice of this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to Resolution 4(1) above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution 4(2) above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution.”

By Order of the Board
Sheng Yuan Holdings Limited
Liu Yang
Chairman

Hong Kong, 30 April 2021

Principal place of business in Hong Kong:

26/F

No. 238 Dex Voeux Road Central

Sheung Wan

Hong Kong

Registered office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A shareholder of the Company (“**Shareholder**”) entitled to attend and vote at the annual general meeting (“**AGM**”) may appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a Shareholder.
2. Where there are joint registered holders of any share of HK\$0.05 each in the capital of the Company (“**Share**”), any one such persons may vote at the AGM, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the office of the Company’s Hong Kong branch share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM.
4. The register of members of the Company will be closed from Thursday, 27 May 2021 to Tuesday, 1 June 2021, both days inclusive, during which period no transfer of ordinary shares will be registered. In order to determine the identity of ordinary shareholder(s) who is entitled to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 26 May 2021.
5. As at the date of this notice, the Board consists of Mr. Liu Yang, Mr. Zhou Quan and Mr. Zhao Yun (all being executive Directors), Mr. Huang Shuanggang (being a non-executive Director), Mr. Zhang Jinfan, Ms. Wen Han Qiuzi and Ms. Huang Qin (all being independent non-executive Directors).