

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 Thursday, 1 June 2023 is enclosed. A form of proxy is also enclosed.

If you are unable to attend the annual general meeting in person, please 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 17/F, Far East Finance Centre, 16 Harcourt Road, 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.

2 May 2023

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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 13 to 17 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 Thursday, 1 June 2023, 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 14 June 2022 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 14 June 2022
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	26 April 2023, 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. Zhao Yun, Ms. Huang Qin and Mr. Guo Yaoli
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 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. Zhao Yun (*Chief Executive Officer*)

Mr. Zhou Quan

Non-executive Directors:

Mr. Ma Baojun (*Chairman*)

Mr. Huang Shuanggang

Independent non-executive Directors:

Mr. Zhang Jinfan

Ms. Huang Qin

Mr. Guo Yaoli

Registered office:

4/F, North Cedar House

41 Cedar Avenue

Hamilton HM12

Bermuda

*Principal place of business
in Hong Kong:*

26/F

No. 238 Des Voeux Road Central

Sheung Wan

Hong Kong

2 May 2023

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, Mr. Guo Yaoli, being the Director appointed by the Board to fill the casual vacancy with effect from 21 November 2022, 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. Zhao Yun and Ms. Huang Qin 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 Ms. Huang Qin and Mr. Guo Yaoli based on the independence criteria as set out in Rule 3.13 of the Listing Rules and is satisfied that they remain independent in accordance with Rule 3.13 of the Listing Rules. The Nomination Committee is of the view that that Ms. Huang Qin and Mr. Guo Yaoli have provided valuable contributions to the Company and have demonstrated their abilities to provide independent, balanced and objective view to the Company's affairs during their tenures of office.

The Nomination Committee is of the view that the Retiring Directors 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 working experience of the Retiring Directors in the finance, accounting and legal industries 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, 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 14 June 2022, 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 381,970,541 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 76,394,108 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 Thursday, 1 June 2023 is set out on pages 13 to 17 of this circular.

A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed with this circular. If you intend not to attend and vote at the Annual General Meeting in person, please complete the form of proxy and return it to the office of the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, 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.

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
Zhou Quan
Executive Director

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. Zhao Yun (“Mr. Zhao”)

Mr. Zhao Yun (趙允), aged 38, was appointed as a non-executive Director in May 2019 and redesignated as an executive Director in March 2020. Mr. Zhao was appointed as chief executive officer (“**Chief Executive Officer**”) in May 2022. Mr. Zhao obtained his master’s degree in economics from Southwest Jiaotong University. Mr. Zhao had worked as 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 is a director of Yuanyin Holdings Limited, a substantial shareholder of the Company as at the Latest Practicable Date.

Mr. Zhao has entered into a contract of appointment with the Company, pursuant to which Mr. Zhao is entitled to a remuneration of HK\$50,000 per month, with bonus payable at the discretion of the Board. Mr. Zhao did not enter into another service agreement with the Company in connection with his appointment as the Chief Executive Officer, and would not receive any compensation or remuneration for assuming the position of Chief Executive Officer. 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. 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; (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 past three years; and (iv) did not hold other positions with other members of the Group.

Save as disclosed, there is no other information concerning Mr. Zhao that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and no other matter relating to Mr. Zhao that needs to be brought to the attention of the Shareholder.

Ms. Huang Qin (“Ms. Huang”)

Ms. Huang Qin (黃沁), aged 38, was appointed as an independent non-executive Director in June 2020. She has served as the finance director of Eyebuydirect Group, a subsidiary of Essilor Luxottica SA, 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 is 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. 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; (ii) did not have any interest in the Shares within the meaning of Part XV of the SFO; and (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 past three years; and (iv) did not hold other positions with other members of the Group.

Save as disclosed, there is no other information concerning Ms. Huang that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and no other matter relating to Ms. Huang that needs to be brought to the attention of the Shareholder.

Mr. Guo Yaoli (“Mr. Guo”)

Mr. Guo Yaoli (郭耀黎), aged 54, was appointed as an independent non-executive Director in November 2022. He has 23 years of experience in the PRC legal profession. He serves as a certified lawyer and senior partner of Beijing Dentons Law Firm now.

Mr. Guo worked for the PRC government from 1993 to 1997. Since 1999, Mr. Guo has been working as a lawyer in various law firms in Beijing, China. From 2013 to 2019, he served as an independent director of Tianjin Port Co., Ltd. (天津港股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600717). Since 2017, he served as an independent director of Tianjin Ruixin Technology Co., Ltd. (天津銳新昌科技股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 300828). Since September 2022, he served as an independent non-executive director of Future World Holdings Limited, the shares of which are listed on the Stock Exchange (Stock Code: 0572).

Mr. Guo received both his Bachelor of Laws degree and Master of Laws degree from the China University of Political Science and Law in 1993 and in 2001, respectively.

Pursuant to the letter of appointment signed with the Company, Mr. Guo is appointed for a term of one year and his appointment is subject to retirement by rotation and re-election in accordance with the bye-laws of the Company. Mr. Guo 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 Mr. Guo with reference to his duties and responsibilities towards the Company and prevailing market conditions.

Save as disclosed, as at the Latest Practicable Date, Mr. Guo (i) did not have any relationship with any Directors, senior management or substantial or controlling Shareholders; (ii) did not have any interest in the Shares within the meaning of Part XV of the SFO; and (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 past three years; and (iv) did not hold other positions with other members of the Group.

Save as disclosed, there is no other information concerning Mr. Guo that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and no other matter relating to Mr. Guo that needs to be brought to the attention of the Shareholder.

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 381,970,541 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 38,197,054 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 2022, 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>
2022		
April	0.54	0.45
May	0.52	0.39
June	0.45	0.35
July	0.39	0.30
August	0.39	0.25
September	0.39	0.20
October	0.20	0.20
November	0.20	0.20
December	0.26	0.17
2023		
January	0.30	0.25
February	0.33	0.30
March	0.42	0.33
April (up to and including the Latest Practicable Date)	0.45	0.40

(5) General

To the best of their knowledge, having made all reasonable enquiries, none of the Directors or any of their close 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 Thursday, 1 June 2023 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 2022;
2. To consider and approve, each as a separate resolution, if thought fit, the following resolutions:
 - (a) To re-elect Mr. Zhao Yun as an executive director of the Company;
 - (b) To re-elect Ms. Huang Qin as an independent non-executive director of the Company;
 - (c) To re-elect Mr. Guo Yaoli as an independent non-executive director of the Company;
 - (d) To authorize the board of directors of the Company to fix their remuneration;
3. To re-appoint BDO Limited as 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 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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
- (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

NOTICE OF ANNUAL GENERAL MEETING

- (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
- (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;

NOTICE OF ANNUAL GENERAL MEETING

- (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
Zhou Quan
Executive Director

Hong Kong, 2 May 2023

Principal place of business in Hong Kong:

26/F
No. 238 Dex Voeux Road Central
Sheung Wan
Hong Kong

Registered office:

4/F North, Cedar House
41 Cedar Avenue
Hamilton HM 12
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\$0.10 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 17/F, Far East Finance Centre, 16 Harcourt Road, 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 Monday, 29 May 2023 to Thursday, 1 June 2023, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 25 May 2023.
5. As at the date of this notice, the Board consists of Mr. Ma Baojun (being a non-executive Director), Mr. Zhou Quan and Mr. Zhao Yun (both being executive Directors), Mr. Huang Shuanggang (being a non-executive Director), Mr. Zhang Jinfan, Ms. Huang Qin and Mr. Guo Yaoli (each being an independent non-executive Director).