
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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 Shiyue Daotian Group Co., Ltd., you should at once hand this circular, together with the enclosed proxy form, 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.



Shiyue Daotian Group Co., Ltd.

十月稻田集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 9676)

- (1) 2023 ANNUAL REPORT**
- (2) 2023 FINAL FINANCIAL REPORT**
- (3) 2023 WORK REPORT OF THE BOARD**
- (4) 2023 WORK REPORT OF THE BOARD OF SUPERVISORS**
- (5) PROPOSED PROFIT DISTRIBUTION PLAN FOR THE YEAR 2023**
- (6) REMUNERATION PLAN FOR DIRECTORS FOR THE YEAR 2024**
- (7) REMUNERATION PLAN FOR SUPERVISORS FOR THE YEAR 2024**
- (8) PROPOSED RE-APPOINTMENT OF THE AUDITOR AND DETERMINATION OF ITS REMUNERATION FOR THE YEAR 2024**
- (9) PROPOSED USE OF IDLE PROCEEDS FOR CASH MANAGEMENT PURPOSE**
- (10) PROPOSED GRANT OF GENERAL MANDATE TO THE BOARD TO ISSUE SHARES**
- (11) PROPOSED GRANT OF GENERAL MANDATE TO THE BOARD TO REPURCHASE H SHARES AND**
- (12) NOTICE OF 2023 AGM**

A notice of AGM of the Company to be held as on-site meeting at 10:00 a.m. on Friday, June 7, 2024 at 2/F, Building A, Yisha Wenxin Plaza, Chaoyang District, Beijing, the PRC is set out on pages 18 to 20 of this circular. A proxy form for use at the AGM is also enclosed. Such proxy form is also published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.shiyuedaotian.com).

Whether or not you intend to attend the AGM, holders of Shares of the Company are requested to complete the enclosed proxy form of the Company in accordance with the instructions printed thereon and return it to the Company's H Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders of the Company) or the head office and principal place of business in the PRC of the Company at 2/F, Building A, Yisha Wenxin Plaza, Chaoyang District, Beijing, the PRC (for Domestic Shareholders of the Company), as soon as possible but in any event, not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (i.e. not later than 10:00 a.m. on Thursday, June 6, 2024). Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the AGM or any adjournment thereof should they so wish.

May 16, 2024

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms and expressions have the meanings set forth below:

“AGM” or “2023 AGM”	the annual general meeting or any adjourned meeting of the Company to be held as on-site meeting at 2/F, Building A, Yisha Wenxin Plaza, Chaoyang District, Beijing, the PRC at 10:00 a.m. on Friday, June 7, 2024
“AGM Notice”	the notice of the AGM dated May 16, 2024, set out on pages 18 to 20 of this circular
“Articles of Association”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“Board”	the board of Directors of the Company
“Company”	Shiyue Daotian Group Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange with stock code of 9676
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB0.10 each, which are subscribed for and paid up in RMB
“Domestic Shareholder(s)”	holder(s) of Domestic Shares
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company, with a nominal value of RMB0.10 each, which are traded in Hong Kong dollars and listed on the Stock Exchange
“H Share Repurchase Mandate”	the proposed grant of a general mandate to the Board to repurchase H Shares not exceeding 10% of the total number of H Shares in issue as at the date of passing the resolution
“H Share Registrar”	Tricor Investor Services Limited
“H Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Latest Practicable Date”	May 13, 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus issued by the Company dated September 28, 2023 in relation to the global offering and listing
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB0.10 each, including Domestic Share(s) and H Share(s)
“Shareholder(s)”	the shareholder(s) of the Company
“Shenyang Shengxin”	Shenyang Shengxin Enterprise Management Consultation Co., Ltd. (瀋陽盛信企業管理諮詢有限公司), a limited liability company incorporated under the laws of the PRC on February 20, 2023
“Shiyue Daotian Enterprise Management”	Shenyang Shiyue Daotian Enterprise Management Consulting Partnership (Limited Partnership) (瀋陽十月稻田企業管理諮詢合夥企業 (有限合夥)), a limited partnership incorporated under the laws of the PRC on July 24, 2020
“Shiyue Zhongxin”	Shenyang Shiyue Zhongxin Enterprise Management Consulting Partnership (Limited Partnership) (瀋陽十月眾鑫企業管理諮詢合夥企業 (有限合夥)), a limited partnership incorporated under the laws of the PRC on July 24, 2020
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“%”	per cent

LETTER FROM THE BOARD



Shiyue Daotian Group Co., Ltd.

十月稻田集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 9676)

Executive Directors:

Mr. Wang Bing (*Chairman*)
Ms. Zhao Wenjun
Ms. Zhao Shulan
Mr. Shu Minghe
Mr. Zou Hao

Non-executive Director:

Mr. Chang Bin

Independent non-executive Directors:

Mr. Shi Ketong
Mr. Yeung Chi Tat
Mr. Lin Chen

Registered office in the PRC:

Dahuangdi Village, Xinglongpu Town, Xinmin City
Shenyang, Liaoning Province, the PRC

Head office and principal place of business in the PRC:

2/F, Building A, Yisha Wenxin Plaza
Chaoyang District, Beijing, the PRC

Principal place of business in Hong Kong:

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

To the Shareholders:

Dear Sir or Madam,

- (1) 2023 ANNUAL REPORT**
- (2) 2023 FINAL FINANCIAL REPORT**
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- (5) PROPOSED PROFIT DISTRIBUTION PLAN FOR THE YEAR 2023**
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- AND**
- (12) NOTICE OF 2023 AGM**

LETTER FROM THE BOARD

I. INTRODUCTION

The AGM is proposed to be held as on-site meeting by the Company at 2/F, Building A, Yisha Wenxin Plaza, Chaoyang District, Beijing, the PRC at 10:00 a.m. on Friday, June 7, 2024. The AGM Notice is set out on pages 18 to 20 of this circular.

The purpose of this circular is to provide you with details of the resolutions to be proposed at the AGM for consideration, and to provide you with relevant information to enable you to make an informed decision on whether to vote for or against the resolutions or to abstain from voting. These resolutions and relevant details are set out in the Letter from the Board.

II. MATTERS TO BE RESOLVED AT THE AGM

1. 2023 annual report

An ordinary resolution will be proposed at the AGM to approve the 2023 annual report. For the full text of the report, please refer to the Company's annual report for the year ended December 31, 2023 (the "**2023 Annual Report**"), which was published on April 26, 2024 on the websites of the Company and the Stock Exchange.

2. 2023 final financial report

An ordinary resolution will be proposed at the AGM to approve the 2023 final financial report of the Group. For the full text of the report, please refer to the consolidated financial statements of the 2023 Annual Report.

3. 2023 work report of the Board

An ordinary resolution will be proposed at the AGM to approve the 2023 work report of the Board. For the full text of the report, please refer to the 2023 Annual Report.

4. 2023 work report of the Board of Supervisors

An ordinary resolution will be proposed at the AGM to approve the 2023 work report of the Board of Supervisors. The full text of the report is set out in the Appendix I to this circular.

5. Proposed profit distribution plan for the year 2023

An ordinary resolution will be proposed at the AGM to approve the proposed profit distribution plan for the year 2023. Details are set out below:

The 2023 profit distribution plan was considered and approved by the Board on March 28, 2024, whereby the Board proposed the distribution of an annual dividend of RMB0.031 per Share (tax inclusive) in respect of the year ended December 31, 2023 (the "**Final Dividend**"), with a Final Dividend of approximately RMB33,112,747.65 in aggregate, accounting for approximately 20.4% of the Group's adjusted net profit for the year ended December 31, 2023.

LETTER FROM THE BOARD

The profit distribution plan is still subject to consideration and approval by Shareholders at the AGM by way of an ordinary resolution. The annual dividend payable to the Domestic Shareholders will be paid in RMB and the annual dividend payable to the H Shareholders will be declared in RMB and paid in Hong Kong dollars. The Final Dividend paid in Hong Kong dollars will be converted from RMB into Hong Kong dollars at the average exchange rate between RMB and Hong Kong dollars as announced by the People's Bank of China for the five business days prior to the AGM. After approval at the AGM, the Final Dividend will be paid on or before Friday, July 19, 2024.

For the purpose of ascertaining Shareholders' entitlement to the proposed Final Dividend, the register of members of the Company will be closed from Friday, June 14, 2024 to Monday, June 17, 2024 (both days inclusive), during which no transfer of Shares will be effected. In order to be entitled to the proposed Final Dividend, all duly completed share transfer forms accompanied by the relevant share certificates, must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders), or the Company's head office and principal place of business in the PRC at 2/F, Building A, Yisha Wenxin Plaza, Chaoyang District, Beijing, the PRC (for Domestic Shareholders) no later than 4:30 p.m. on Thursday, June 13, 2024 for registration. Shareholders whose names appear on the register of members of the Company on Monday, June 17, 2024 are entitled to receive the proposed Final Dividend.

6. Remuneration plan for Directors for the year 2024

An ordinary resolution will be proposed at the AGM to approve the remuneration plan for Directors for the year 2024. Details are set out below:

- (1) Executive Directors and non-executive Directors who hold senior management or other positions in the Company are remunerated in accordance with their positions and do not receive separate Directors' remuneration; executive Directors and non-executive Directors who do not hold senior management or other positions in the Company do not receive Directors' remuneration.
- (2) The remuneration of independent non-executive Directors is RMB30,000 per month (before tax). For those who resign due to general election, re-election, resignation during their term of office etc., their remuneration shall be calculated and distributed based on their actual term of office.
- (3) The above remuneration may be adjusted according to the industry conditions and the actual production and operation of the Company.

7. Remuneration plan for Supervisors for the year 2024

An ordinary resolution will be proposed at the AGM to approve the remuneration plan for Supervisors for the year 2024. Details are set out below:

LETTER FROM THE BOARD

Supervisors who hold positions in the Company are remunerated according to their positions and do not receive separate Supervisors' remuneration; Supervisors who do not hold positions in the Company do not receive Supervisors' remuneration.

8. Proposed re-appointment of the auditor and determination of its remuneration for the year 2024

An ordinary resolution will be proposed at the AGM to approve the re-appointment of KPMG as the auditor of the Company for the year 2024 for a term of one year and to authorize the Board to determine its remuneration.

9. Proposed use of idle proceeds for cash management purpose

An ordinary resolution will be proposed at the AGM to approve the proposed use of idle proceeds for cash management purpose. Details are set out below:

The net proceeds raised from the global offering of the Company's H Shares listed on the Stock Exchange on October 12, 2023 amounted to approximately HK\$716.4 million. In order to enhance the capital usage efficiency, reasonably utilize the temporarily idle proceeds raised from the global offering (the "Proceeds") and realize value preservation and appreciation of the Proceeds of the Company and protect the interests of Shareholders, without affecting the normal operation activities of the Company, the Board approved a resolution on May 13, 2024 for the cash management purpose, pursuant to which it is proposed to utilize up to HK\$280 million of the Proceeds which are expected to remain idle for more than one year to appropriately purchase wealth management products with high security, positive liquidity and a term of maturity not exceeding 12 months, within 12 months from the date when the resolution is considered and approved at the 2023 AGM. The above amount can be utilized on a rolling basis during the above-mentioned investment period of 12 months.

The return from the cash management belongs to the Company. There is no material impact on the normal use of the Proceeds according to the intended purposes as disclosed in the Prospectus and the normal operations of the Company.

If the above-mentioned investments constitute a notifiable transaction under Chapter 14 and/or a connected transaction under Chapter 14A of the Listing Rules in the future, the Company will perform the corresponding procedures to comply with the applicable requirements under the Listing Rules.

10. Proposed grant of general mandate to the Board to issue Shares

A special resolution will be proposed at the AGM to approve a general mandate for the issuance of additional Domestic Shares and/or H Shares of the Company. In order to give the Company the flexibility to issue Shares where appropriate, in accordance with the relevant laws, regulations and other regulatory documents, the Board proposes the following at the AGM for consideration and approval:

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(1) *General Mandate for Share Issuance*

- (i) Subject to the conditions set out in (ii) below, it's proposed at the AGM to authorize the Board to approve the issuance of Domestic Shares and/or H Shares (including but not limited to ordinary Shares, preferred Shares, and securities convertible into Shares, hereinafter referred to as "**Share Issuance**") during the relevant period (as defined below).
- (ii) The numbers of Shares to be issued under the approval of the Board shall not exceed 20% of the total numbers of Domestic Shares and/or H Shares in issue of the Company as at the date of this resolution being approved at the AGM, respectively (i.e. 81,185,270 Domestic Shares and/or 25,630,045 H Shares, assuming that the number of Domestic Shares and H Shares in issue of the Company has maintained unchanged subsequent to the Latest Practicable Date and up to the date when this resolution is approved at the AGM).
- (iii) For the purpose of this resolution:

"relevant period" means the period from the date of the passing of this special resolution until whichever is the earlier of:

1. the conclusion of the next annual general meeting after the passing of this resolution (unless otherwise being extended by the passing of a special resolution at that meeting (whether or not with conditions being attached), such mandate will be lapsed); or
2. the date on which such mandate granted under this resolution is revoked or amended by an ordinary resolution at any general meeting of the Company.

(2) *Related Authorization*

In order to improve the efficiency of decision making and to reduce approval procedures so as to grasp the opportunities in the market, it is proposed at the AGM to grant the Board the general mandate for Share Issuance, to deal with all matters related to the general mandate for Share Issuance at their sole discretion, which include but are not limited to:

- (i) To authorize the Board to determine the detailed issuance proposal, including but not limited to:
 1. the class and numbers of the Shares proposed to be issued;
 2. pricing method and/or issue price (including the range of pricing);
 3. the first and last date of the issuance;

LETTER FROM THE BOARD

4. use of proceeds;
 5. other information needed to be included in the detailed issuance proposal as required by the relevant laws and regulations and other regulatory documents, relevant regulatory authorities and the stock exchange of the place of listing.
- (ii) To determine on the engagement of intermediaries, to execute, exercise, revise and conclude all agreements and documents in relation to the Share Issuance and to make relevant disclosure in accordance with relevant laws and regulations and listing rules of stock exchange on which securities of the Company are listed.
 - (iii) To handle all reporting and listing matters related to the Share Issuance.
 - (iv) To authorize the Board, and further delegate the authority to the chairman of the Board (who may further delegate the authority) and/or their authorized personnel, to handle matters related to the increase of the Company's registered capital (without convening another Board meeting for deliberation on the relevant authorization matters), in order to reflect the Shares authorized to be issued by the Company in accordance with this resolution and to make such amendments as it deems appropriate and necessary to the clauses related to Share Issuance and registered capital in the Articles of Association, and to adopt and complete other actions and processes which are necessary for the completion of the increase in registered capital of the Company.

11. Proposed grant of general mandate to the Board to repurchase H Shares

A special resolution will be proposed at the AGM to approve the general mandate for repurchasing H Shares. In order to give the Company the flexibility to repurchase Shares where appropriate, in accordance with the relevant laws, regulations and other regulatory documents, the Board proposes the following at the AGM for consideration and approval:

(1) General Mandate for the Repurchase of H Shares

- (i) Subject to the conditions set out in (ii) below, it's proposed at the AGM to authorize the Board to repurchase H Shares (the "**H Share Repurchase**") during the relevant period (as defined below).
- (ii) The number of H Shares to be repurchased under the approval of the Board shall not exceed 10% of the total number of H Shares issued and listed on the Stock Exchange by the Company as at the date of this resolution being approved at the AGM (i.e. 25,630,045 H Shares, assuming that the number of H Shares in issue of the Company has maintained unchanged subsequent to the Latest Practicable Date and up to the date when this resolution is approved at the AGM).

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(iii) The repurchase price will not exceed 5% above the average closing price of H Shares for the five trading days prior to the actual repurchase date. When implementing the repurchase, the specific repurchase price will be determined within this range based on market conditions and the actual situation of the Company.

(iv) For the purpose of this resolution:

“relevant period” means the period from the date of the passing of this special resolution until whichever is the earlier of:

1. the conclusion of the next annual general meeting after the passing of this resolution (unless otherwise being extended by the passing of a special resolution at that meeting (whether or not with conditions being attached), such mandate will be lapsed); or
2. the date on which such mandate granted under this resolution is revoked or amended by an ordinary resolution at any general meeting of the Company.

(2) *Related Authorization*

In order to improve the efficiency of decision making and to reduce approval procedures so as to grasp the opportunities in the market, it is proposed at the AGM to grant the Board the general mandate for H Share Repurchase, to deal with all matters related to the general mandate for H Share Repurchase at their sole discretion, which include but are not limited to:

(i) To authorize the Board to determine the detailed repurchase proposal, including but not limited to:

1. timing, duration, price, and quantity of the repurchase, among other factors; and
2. other information needed to be included in the detailed proposal of H Shares Repurchase as required by the relevant laws and regulations and other regulatory documents, relevant regulatory authorities and the stock exchange of the place of listing.

(ii) To authorize the Board to implement the detailed repurchase proposal, including but not limited to:

1. opening overseas stock accounts, capital accounts and carrying out corresponding changes of foreign exchange registration procedures;

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2. performing relevant approval or filing procedures (if any) in accordance with relevant laws, regulations and the requirements of the legal regulatory authorities;
 3. handling the cancellation of repurchased Shares, reducing the registered capital of the Company, revising the total amount of share capital, share capital structure and other relevant contents in relation to the Articles of Association and handling the procedures for modification registration and filing; and
 4. signing and handling all other documents and matters in relation to the aforesaid H Share Repurchase.
- (iii) To authorize the Board, and further delegate the authority to the chairman of the Board (who may further delegate the authority) and/or their authorized personnel, to specifically handle the above matters (without convening another Board meeting for deliberation on the relevant authorization matters).

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the repurchase mandate is set out in Appendix II to this circular.

III. AGM AND PROXY ARRANGEMENTS

The AGM Notice is set out on pages 18 to 20 in this circular, and published and available for downloading on the websites of Stock Exchange (www.hkexnews.hk) and of the Company (www.shiyuedaotian.com). A proxy form for use at the AGM is enclosed with this circular.

For determining eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, June 4, 2024 to Friday, June 7, 2024, both days inclusive, during which period no transfer of Shares will be registered. To be eligible for attending and voting at the AGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders of the Company), or the Company's head office and principal place of business in the PRC at 2/F, Building A, Yisha Wenxin Plaza, Chaoyang District, Beijing, the PRC (for Domestic Shareholders of the Company) not later than 4:30 p.m. on Monday, June 3, 2024 for registration. Shareholders whose names appear on the register of members of the Company on Friday, June 7, 2024 shall be entitled to attend and vote at the AGM.

Whether or not you intend to attend the AGM, you are requested to complete the enclosed proxy form of the Company in accordance with the instructions printed thereon and return it to the Company's H Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders of the Company) or the head office and principal place of business in the PRC of the Company at 2/F, Building A, Yisha Wenxin Plaza, Chaoyang District, Beijing, the PRC (for Domestic Shareholders of the Company), as soon as possible but in any event, not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (i.e. not

LETTER FROM THE BOARD

later than 10:00 a.m. on Thursday, June 6, 2024). Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the AGM or any adjournment thereof should they so wish. If you attend and vote at the AGM, the authority of your proxy will be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules and Article 87 of the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, all resolutions set out in the AGM Notice will be taken by way of poll. Vote can be cast in person or by proxy.

To the best of the knowledge, information and belief of the Directors after having made all reasonable inquiries, no Shareholder will be required to abstain from voting at the AGM regarding the relevant resolutions as at the Latest Practicable Date.

IV. 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.

V. RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that all resolutions for the Shareholders to consider and approve included in the AGM Notice are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions in relation to the above matters to be proposed at the AGM.

Yours faithfully,
By order of the Board
Shiyue Daotian Group Co., Ltd.
Mr. Wang Bing
Chairman and Executive Director

Beijing, the PRC, May 16, 2024

2023 WORK REPORT OF THE BOARD OF SUPERVISORS

During the year ended December 31, 2023 (the “**Reporting Period**”), the Board of Supervisors actively performed its duties in accordance with the Company Law of the PRC, the Securities Law of the PRC, and other relevant laws, regulations and regulatory documents, as well as the Articles of Association of Shiyue Daotian Group Co., Ltd., the Rules of Procedures of the Board of Supervisors of Shiyue Daotian Group Co., Ltd. and other systems and the rights conferred by the general meetings, and exercised effective supervision over the legal operation of the Company, related party transactions and other matters to effectively safeguard the interests of the Company and Shareholders.

I. COMPOSITION OF THE BOARD OF SUPERVISORS

According to the Articles of Association, the Board of Supervisors of the Company consists of three members, comprising two Shareholder representative Supervisors and one employee representative Supervisor. Our Supervisors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office.

As of the date of this circular, the members of the Board of Supervisors are as follows:

Mr. He Yang (*Chairman of the Board of Supervisors and Shareholder representative Supervisor*)

Mr. Li Xiang (*Shareholder representative Supervisor*)

Ms. Wang Zhijuan (*employee representative Supervisor*)

Change in Supervisors

There was no change in Supervisors during the year ended December 31, 2023.

II. INDEPENDENT OPINIONS OF THE BOARD OF SUPERVISORS ON RELEVANT MATTERS

(I) Operation in Compliance with the Law

During the Reporting Period, the Board of the Company performed its duties and operated strictly in compliance with the requirements of laws and regulations, regulatory documents and the Articles of Association. The Board convened Board meetings and deliberated on resolutions in accordance with the laws and regulations, and convened and organized general meetings in accordance with the laws and regulations, and attended relevant meetings. The Directors and senior management of the Company have conscientiously fulfilled the resolutions made by the general meetings and by the Board, and have diligently performed their duties in the operation and management of the enterprise, and have earnestly safeguarded the interests of the Company and Shareholders.

(II) Inspection of the Financial Position

The Board of Supervisors of the Company has effectively supervised the financial position of the Company for the year 2023 and is of the view that the Company has a sound financial system, standardized management and a good financial condition. The Company's auditor, KPMG, has conducted an audit of the Company's financial statements in accordance with the International Financial Reporting Standards. The Board of Supervisors has carefully reviewed the audit report and the final financial report for the year 2023 and considers that the reports objectively and truthfully reflect the financial position and operation situation of the Company.

(III) Inspection of the Use of Proceeds

During the Reporting Period, the use of proceeds complied with the requirements of the Prospectus for H Shares, the Company's announcements and the relevant governance systems.

(IV) Related Party Transactions

The procedures of the related party transaction that occurred during the Reporting Period were legal and compliant with the provisions of the relevant related party transaction agreements, and were fair and reasonable to both the Company and the Shareholders. There was no situation that was unfair and detrimental to the interests of the Company and the unrelated Shareholders, in particular the minority Shareholders.

(V) Review of Periodic Reports

During the Reporting Period, the procedures for the preparation and review of the Company's periodic reports complied with the relevant provisions of laws, regulations, the Articles of Association and the Company's internal management system, and the contents of the preparation and the format complied with the requirements of the supervisory authorities, and there were no false representations, misleading statements and material omissions, and no personnel involved in the preparation and review of annual report were found to have violated the provision on confidentiality before the annual report was reviewed by the Board of Supervisors.

III. OUTLOOK FOR 2024

In 2024, the Board of Supervisors of the Company will continue to strictly comply with relevant laws and regulations, the Articles of Association, and the Rules of Procedures of the Board of Supervisors of Shiyue Daotian Group Co., Ltd. etc., to fulfill its duties with a more diligent and responsible working attitude to supervise and urge the Company's lawful and compliant operation.

(I) Fulfill Responsibilities in Good Faith and in Accordance with the Law

The Board of Supervisors will continue to urge the Company to continuously improve its corporate governance structure and further improve corporate governance standards in accordance with the requirements of modern corporate systems. At the same time, the Board of Supervisors will urge the Directors and senior management to be diligent and conscientious in their duties, and complete various tasks unswervingly, so as to promote the standardization of business decisions and effectively safeguard the legitimate rights and interests of the Company and Shareholders.

(II) Strengthen Supervision and Inspection

Through communicating with the management and reviewing periodic reports, the Board of Supervisors will keep track of the Company's operation status, supervise and inspect the Company's financial operation, and promote the healthy and sustainable development of the Company.

(III) Strengthen Learning and Improve Supervision Standards

The Board of Supervisors will continue to strengthen its study of laws and regulations, broaden its professional knowledge, improve its business capability, promote its supervisory approach and methodology, and continue to enhance the effectiveness of its supervision.

In 2024, the Board of Supervisors will fulfill its duties conscientiously and increase its supervisory efforts, effectively shoulder the responsibility of safeguarding the rights and interests of the Company and Shareholders, and collaborate with the Board and all Shareholders to promote the healthy, stable and sustainable development of the Company.

The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed repurchase mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued Shares of the Company was 1,068,153,150, comprising 256,300,450 H Shares with a nominal value of RMB0.10 each and 811,852,700 Domestic Shares with a nominal value of RMB0.10 each. Subject to the passing of the proposed resolution in respect of the grant of the H Share Repurchase Mandate, assuming that no further H Shares are issued and repurchased subsequent to the Latest Practicable Date and up to the date of AGM, until (whichever is the earliest) (i) the conclusion of the next annual general meeting of the Company; (ii) the expiry date of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association to be held; or (iii) the date on which the resolution is passed by the Shareholders at the AGM to revoke or vary such mandate, the Company will be allowed to repurchase no more than 25,630,045 H Shares (representing approximately 10% of the number of H Shares in issue and approximately 2.4% of the number of total Shares in issue on the date when the resolution regarding the H Share Repurchase Mandate is passed).

2. REASONS FOR THE REPURCHASE OF H SHARES

Although the Directors have no present intention of repurchasing the Shares, they believe that it is in the best interests of the Company and Shareholders that the Directors are granted a general mandate by Shareholders to enable the Company to repurchase H Shares in the market. Such repurchase of H Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or its earnings per Share and will only be made when the Board believes that such repurchase will benefit the Company and its Shareholders.

3. EXERCISE OF THE H SHARE REPURCHASE MANDATE

Subject to the passing of the respective special resolutions in relation to the grant of the H Share Repurchase Mandate to the Board to be proposed at the 2023 AGM, the Board will be granted the H Share Repurchase Mandate until the earlier of (a) the conclusion of the next annual general meeting of the Company (at which time the mandate shall lapse unless, by a special resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions); or (b) the date on which the authority set out in the relevant resolutions is revoked or varied by passing an ordinary resolution at any general meeting of the Company (the “**Relevant Period**”). In addition, the exercise of the H Share Repurchase Mandate shall be subject to the approval of the relevant PRC regulatory authorities as required by the laws, rules and regulations of the PRC being obtained (if applicable).

4. FUNDING OF THE H SHARE REPURCHASE

In repurchasing its H Shares, the Company intends to apply funds from the Company's internal resources legally available for such purposes in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC. The Company may not repurchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange as amended from time to time.

There will be no material adverse impacts on the working capital or gearing ratio of the Company as compared with the positions disclosed in the audited consolidated accounts contained in the annual report of the Company for the year ended December 31, 2023 in the event that the H Share Repurchase Mandate is to be exercised in full at any time during the Relevant Period. The Directors do not propose to exercise the H Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital needs of the Company or the gearing ratio of the Company due to the repurchase of H Shares.

5. SHARE PRICES

The highest and lowest traded prices of H Shares recorded on the Stock Exchange during the period from October 12, 2023 (being the listing date) and up to the Latest Practicable Date were as follows:

	Highest traded prices	Lowest traded prices
	<i>HK\$</i>	<i>HK\$</i>
2023		
October (from the listing date)	27.95	16.60
November	28.90	23.80
December	29.40	24.90
2024		
January	26.85	19.60
February	25.90	19.44
March	27.35	19.00
April	26.50	19.02
May (up to the Latest Practicable Date)	26.60	19.90

6. GENERAL INFORMATION

So far as the same may be applicable, the Directors will exercise the powers of the Company to make repurchases pursuant to the H Share Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

None of the Directors, to the best of their knowledge upon having made all reasonable enquiries, nor their close associates (as defined in the Listing Rules), has any present intention to sell any H Shares to the Company or its subsidiaries under the H Share Repurchase Mandate if such resolution is approved by the Shareholders.

No other core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell H Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the H Share Repurchase Mandate is approved by the Shareholders.

If as a result of a repurchase of H 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 Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control over the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. Wang Bing and Ms. Zhao Wenjun (through Shiyue Daotian Enterprise Management and Shiyue Zhongxin) is deemed or taken to be interested in approximately 66.50% of the issued share capital of the Company. In addition, to the best knowledge of the Directors, Mr. Shu Minghe (directly, and indirectly through Shenyang Shengxin in Shiyue Daotian Enterprise Management) is deemed or taken to be interested in approximately 36.14% of the issued share capital of the Company. In the event that the Directors should exercise in full the proposed repurchase mandate, the shareholding of Mr. Wang Bing, Ms. Zhao Wenjun and Mr. Shu Minghe in the Company will be increased to approximately 73.89% and 40.16% of the issued share capital of the Company, respectively. To the best knowledge of the Directors, Mr. Shu Minghe's increase of share capital as mentioned above would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no present intention to exercise the proposed repurchase mandate which would result in it being required to make a mandatory offer under Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the proposed repurchase mandate.

As stated in the Prospectus, the Stock Exchange has granted, a waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules, pursuant to which the public float of the Company may fall below 25% of the issued share capital of the Company, to allow a minimum public float of the Company to be 15.7%. 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 confirms that neither this explanatory statement nor the proposed share repurchase has any unusual features.

7. SHARES REPURCHASED BY THE COMPANY

The Company had not repurchased any Shares on the Stock Exchange, or otherwise, during the six months immediately prior to the Latest Practicable Date.

NOTICE OF 2023 AGM



Shiyue Daotian Group Co., Ltd.

十月稻田集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 9676)

NOTICE OF 2023 AGM

NOTICE IS HEREBY GIVEN that the 2023 annual general meeting (the “AGM”) of Shiyue Daotian Group Co., Ltd. (the “Company”) will be held as on-site meeting at 2/F, Building A, Yisha Wenxin Plaza, Chaoyang District, Beijing, the PRC at 10:00 a.m. on Friday, June 7, 2024 for the purposes of considering, and if thought fit, approving (with or without modifications) the following resolutions:

ORDINARY RESOLUTIONS

1. to consider and approve the resolution in relation to the 2023 annual report;
2. to consider and approve the resolution in relation to the 2023 final financial report;
3. to consider and approve the resolution in relation to the 2023 work report of the Board;
4. to consider and approve the resolution in relation to the 2023 work report of the Board of Supervisors;
5. to consider and approve the resolution in relation to the proposed profit distribution plan for the year 2023;
6. to consider and approve the resolution in relation to the remuneration plan for directors for the year 2024;
7. to consider and approve the resolution in relation to the remuneration plan for supervisors for the year 2024;
8. to consider and approve the resolution in relation to the proposed re-appointment of the auditor and determination of its remuneration for the year 2024;
9. to consider and approve the resolution in relation to the proposed use of idle proceeds for cash management purpose;

NOTICE OF 2023 AGM

SPECIAL RESOLUTIONS

10. to consider and approve the resolution in relation to the proposed grant of general mandate to the Board to issue Shares; and
11. to consider and approve the resolution in relation to the proposed grant of general mandate to the Board to repurchase H Shares.

CLOSURE OF THE REGISTER OF MEMBERS

For determining eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, June 4, 2024 to Friday, June 7, 2024, both days inclusive, during which period no transfer of Shares will be registered. To be eligible for attending and voting at the AGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders of the Company), or the Company's head office and principal place of business in the PRC at 2/F, Building A, Yisha Wenxin Plaza, Chaoyang District, Beijing, the PRC (for Domestic Shareholders of the Company) not later than 4:30 p.m. on Monday, June 3, 2024 for registration. Shareholders whose names appear on the register of members of the Company on Friday, June 7, 2024 shall be entitled to attend and vote at the AGM.

By order of the Board
Shiyue Daotian Group Co., Ltd.
Mr. Wang Bing
Chairman and Executive Director

Beijing, the PRC, May 16, 2024

As at the date of this notice, the Board comprises Mr. Wang Bing, Ms. Zhao Wenjun, Ms. Zhao Shulan, Mr. Shu Minghe and Mr. Zou Hao as executive Directors; Mr. Chang Bin as non-executive Director; and Mr. Shi Ketong, Mr. Yeung Chi Tat and Mr. Lin Chen as independent non-executive Directors.

Notes:

- (1) Unless otherwise indicated, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated May 16, 2024.
- (2) All votes of resolutions at the AGM will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.shiyuedaotian.com) in accordance with the Listing Rules.
- (3) Any Shareholders entitled to attend and vote at the AGM can appoint one or more proxies to attend and vote at the AGM on his/her behalf. A proxy need not be a Shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and type of Shares in respect of which each proxy is so appointed.

NOTICE OF 2023 AGM

- (4) Shareholders shall appoint their proxies in writing. The proxy form shall be signed by the Shareholder or his/her/its attorney who has been duly authorized in writing. If the Shareholder is a corporation, the proxy form shall be affixed with the corporation's seal or signed by its Director, or its attorney duly authorized in writing. If the proxy form is signed by the attorney of the Shareholder, the power of attorney or other authorization document shall be notarized. For H Shareholders, the aforementioned documents must be lodged with the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 24 hours before the time appointed for holding the AGM (i.e. 10:00 a.m. on Thursday, June 6, 2024 (Hong Kong time)) or any adjournment thereof in order for such documents to be valid. For Domestic Shareholders, the proxy form together with the notarized power of attorney or other authorization documents (if any) must be lodged with the Company's head office and principal place of business in the PRC at 2/F, Building A, Yisha Wenxin Plaza, Chaoyang District, Beijing, the PRC not less than 24 hours before the time appointed for holding the AGM (i.e. 10:00 a.m. on Thursday, June 6, 2024) or any adjournment thereof (as the case may be) in order for such documents to be valid. Completion and delivery of the proxy form shall not preclude a Shareholder of the Company from attending and voting in person at the AGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (5) Shareholders are required to produce proof of identity when attending the AGM.
- (6) If a Shareholder appoints a proxy to attend the AGM, the proxy must present his/her identification documents and a power of attorney or other document signed by the appointor or his/her legal representative with the date of issuance. If a corporate Shareholder is represented at the AGM by a proxy, the proxy must present proof of identity and a notarized copy of the resolution passed by the Board or other authority or a notarized copy of the authorization issued by the corporate Shareholder.
- (7) The AGM is expected to last for half a day. Shareholders attending (in person or by proxy) the AGM shall be responsible for their own traveling, accommodation and other expenses.
- (8) The contact details of the Company are as follows:
- Address: Shiyue Daotian Group Co., Ltd.
2/F, Building A, Yisha Wenxin Plaza, Chaoyang District, Beijing, the PRC
- Liaison: Ms. Chen Hua
- Email: chenhua@shiyuedaotian.com
- (9) Details of the aforesaid resolutions to be proposed at the AGM are set out in the circular of the Company dated May 16, 2024.