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



Shanyu Group Holdings Company Limited
善裕集團控股有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8245)

**ADOPTION OF NEW SHARE SCHEME AND
TERMINATION OF EXISTING SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the extraordinary general meeting of the Company to be held at Unit 1103–06, China Building, 29 Queen’s Road Central, Hong Kong on Thursday, 28 March 2024 at 11:00 a.m., is set out on pages 4 to 13 of this circular. Whether or not you propose to attend the meeting, you are advised to complete the form of proxy attached to the notice of the extraordinary general meeting in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

12 March 2024

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context requires otherwise, the expressions as stated below will have the following meanings:

“associates”	has the meaning ascribed thereto under the GEM Listing Rules
“Award”	an award of a conditional right to receive Share(s) granted pursuant to the Scheme
“Board”	the board of Directors
“Business day”	a day (excluding Saturday) upon which banks are open for business in Hong Kong
“close associates”	has the meaning ascribed thereto under the GEM Listing Rules
“Company”	Shanyu Group Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“connected persons”	has the meaning ascribed thereto under the GEM Listing Rules
“Directors”	the directors of the Company and each a “Director”
“EGM”	the extraordinary general meeting of the Company to be held at Unit 1103–06, China Building, 29 Queen’s Road Central, Hong Kong on Thursday, 28 March 2024 at 11:00 a.m. to consider and, if thought fit, approve the adoption of the New Share Scheme and termination of the Existing Share Option Scheme
“Existing Share Option Scheme”	the existing share option scheme of the Company adopted on 16 September 2015
“GEM”	GEM operated by the Stock Exchange

DEFINITIONS

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administration Region of the People’s Republic of China
“Latest Practicable Date”	11 March 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“New Share Scheme” or “Scheme”	the new share scheme of the Company proposed to be adopted at the EGM
“Option”	an option to subscribe for Shares granted and accepted pursuant to the Scheme
“Participants”	(a) directors and employees of any member of the Group (including persons who are granted Options or Awards under the Scheme as an inducement to enter into employment contracts with any member of the Group) (“ Employee Participants ”); (b) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company (“ Related Entity Participants ”)
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all Options or Awards to be granted under the New Share Scheme or any other schemes which shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the New Share Scheme by the Shareholders
“Share(s)”	ordinary share(s) of par value of HK\$0.0125 each in the share capital of the Company

DEFINITIONS

“Shareholders”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed thereto under the GEM Listing Rules
“%”	per cent

In this circular, references to masculine gender include references to the feminine and neuter gender and references to the singular include references to the plural and vice versa.



Shanyu Group Holdings Company Limited
善裕集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8245)

Executive Directors:

Mr. Yeung Shing Wai

Ms. Wong Ming Kwan Victoria

Ms. Zhu Yuanyan

Independent Non-Executive Directors:

Mr. Choi Pun Lap

Ms. Ip Sin Nam

Mr. Yu Lap Pan.

Registered Office:

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Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Principal place of

business in Hong Kong:

2/F., 200 Hennessy Road,

Wan Chai, Hong Kong

12 March 2024

To Shareholders of the Company

Dear Sir or Madam,

**ADOPTION OF NEW SHARE SCHEME AND
TERMINATION OF EXISTING SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information on the resolution regarding the proposed adoption of the New Share Scheme and termination of the Existing Share Option Scheme and to set out the notice of EGM.

LETTER FROM THE BOARD

ADOPTION OF NEW SHARE SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME

Existing Share Option Scheme

The Existing Share Option Scheme was adopted by the Company on 16 September 2015. The Existing Share Option Scheme is valid and effective for a period of 10 years from the date of adoption. In view of the amendments to Chapter 23 of the GEM Listing Rule relating to share schemes which came into effect on 1 January 2023, the Company proposes to adopt the New Share Scheme to replace the Existing Share Option Scheme in order to conform with the new requirements under the GEM Listing Rules.

As at the Latest Practicable Date, there was no option outstanding under the Existing Share Option Scheme. It is proposed that the Existing Share Option Scheme shall be terminated upon adoption of the New Share Scheme. Termination of the Existing Share Option Scheme shall not affect the validity of the outstanding options which shall continue to be enforceable according to the terms of the Existing Share Option Scheme. The Company has no other share schemes other than the Existing Share Option Scheme.

New Share Scheme

The Board proposed to adopt the New Share Scheme to align with the amendments to Chapter 23 of the Listing Rule relating to share schemes which came into effect on 1 January 2023.

Adoption of the New Share Scheme is conditional upon (i) the passing of the ordinary resolution by the Shareholders at the EGM to approve and adopt the New Share Scheme and to authorise the Board to grant Options or Awards under the New Share Scheme and to allot and issue Shares pursuant to the exercise of any Options or Awards; and (ii) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options or Awards.

As at the Latest Practicable Date, the total number of Shares in issue was 861,756,364. Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, 86,175,636 new Shares which may fall to be issued pursuant to the exercise of any Options or Awards, being 10% of the total number of Shares in issue as at the date of the EGM for the adoption of the New Share Scheme assuming that there being no change in the total number of issued Shares up to the date of the EGM.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company had no intention to grant any Options or Awards to any of the Participants upon the New Share Scheme taking effect.

The New Share Scheme will be subject to the administration of the Directors. The New Share Scheme may involve the use of the existing Shares or the issue of new Shares for Awards and Options or both. The Company may, in its absolute discretion, establish a trust and appoint a trustee to assist with the administration, exercise and vesting of Options or Awards granted pursuant to the Scheme. If a trustee is appointed, it is expected that the terms of the trust deed will provide that the trustee shall not exercise the voting rights attached to the Shares allotted and issued to the trustee and/or acquired by the trustee through on-market or off-market purchases for the purpose of the New Share Scheme before such Shares are vested. No Director shall be the trustee of the New Share Scheme or have a direct or indirect interest in the trustee of the New Share Scheme.

The scheme mandate for grants of new shares under Chapter 23 is a separate mandate from the general mandate under GEM Rule 17.39. As such, all grants of new Shares under the New Share Scheme must only utilise the Scheme Mandate Limit but not the general mandate, and any shares issued to the trust but not granted to the Participants would be considered to have utilised the Scheme Mandate Limit.

Purpose

The purpose of the New Share Scheme is to enable the Company to grant Options or Awards to the Participants as incentives or rewards for their contributions to the Group. The New Share Scheme will give the Participants an opportunity to have a personal stake in the Company and will help motivate the Participants to optimise their performance and efficiency and attract and retain or otherwise maintain a long term relationship with the Participants whose contributions are or will be in line with the business objectives of the Group.

The Board considers that based on the category of Participants, criteria for determining their eligibility, the minimum value of the exercise price and the minimum length of vesting period specified in the New Share Scheme, together with the authority given to the Directors under the New Share Scheme to select the appropriate Participants and to impose any additional conditions, restrictions or limitations attached to the Options or Awards including any performance targets and/or clawback mechanism, the grant of any Options or Awards will align with the purposes of the New Share Scheme and serve to promote the interest and development of the Group.

The category of Participants, criteria for determining their eligibility, the minimum length of vesting period, the Directors' authority to impose performance targets and/or clawback mechanism and the exercise price for Options and the purchase price for Awards are further explained below.

LETTER FROM THE BOARD

Eligible Participants

Eligible Participants include (a) Employee Participants and (b) Related Entity Participants.

The basis of eligibility of any Participant to the grant of any Option or Award shall be determined by the Board (or as the case may be, the independent non-executive directors) from time to time on the basis of the Participant's contribution or potential contribution to the development and growth of the Group after taking into account of, among others, the Participant's qualification and experience, performance, time commitment, responsibilities, length of engagement with the Group and actual or potential contribution to the business objectives of the Group.

By offering Options or Awards to the Employee Participants, their interests will be aligned with the long-term development of the Group as they may also enjoy any potential upside from increasing value of the Group. The New Share Scheme motivates employees and directors to stay in the Group and strive for the benefit of the Group as well as themselves. It aims to foster long-term relationship with directors and employees by granting them an equity interest to share in any future growth of the Group.

The Board is mindful of the recommended best practice E.1.9 of the corporate governance code set out in Appendix 15 to the GEM Listing Rules which recommends that issuers generally should not grant equity-based remuneration with performance-related elements to independent non-executive directors as this may lead to bias in their decision-making and compromise their objectivity and independence. However the Board considers that equity-based remuneration is an important means of ensuring alignment between the interests of Shareholders and all Board members, including the independent non-executive Directors. The inclusion of independent non-executive Directors as eligible Employee Participants and the flexibility to grant Options or Awards to the independent non-executive Directors in addition to cash-based incentives will allow the Company to keep its remuneration package competitive in order to attract and retain high calibre candidates. It is also in line with market practice. As opposed to cash remuneration, the Company may set vesting period for any Options or Awards to be granted to any independent non-executive Director which helps to retain their service. In addition, pursuant to Rule 23.04(3) of the GEM Listing Rules, any Option or Award to be granted to independent non-executive Directors or any of their respective associates which would result in the total number of Shares issued and to be issued in respect of the Options or Awards granted and to be granted to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, shall require the approval by independent Shareholders, which serves as a safeguard against possible compromise of their independence.

LETTER FROM THE BOARD

When considering any future grants of Options or Awards to the independent non-executive Directors, the remuneration committee and the Board will also ensure that there will be no performance-related elements in such grant so that it will not affect the objectivity and independence of the independent non-executive Directors.

As at the Latest Practicable Date, the Company has no plan or intention to grant any Options or Awards to the independent non-executive Directors under the New Share Scheme.

In respect of Related Entity Participants, which include associated companies of the Group, it is important to ensure that these associated companies shall thrive and provide satisfactory contribution to the Group. In respect of the Company's holding companies and fellow subsidiaries, these companies will often provide financial support or other business cooperations which will contribute to the continued success of the Group. Although the Company has not granted any options to Related Entity Participants in the past, the Directors consider that the Company should have the flexibility to grant Options or Awards to Related Entity Participants as incentives or rewards for their contributions to these related entities which will help motivate such Participants to optimise their performance and efficiency and to attract and retain or otherwise maintain a long term relationship with the Related Entity Participants.

The independent non-executive Directors are of the view that the Company should retain the flexibility in granting Options or Awards to Related Entity Participants which would align with the purpose of the Scheme and the long term interests of the Company and its shareholders. In respect of associated companies of the Group, their performance will directly benefit the Group through the Group's equity interest in the associated companies. In respect of controlling shareholders and fellow subsidiaries of the Company, these related entities would often have business dealings with the Group such as providing financial support or services or other business cooperations. It would be in the interest of the Group that these related entities shall perform well in relation to their dealings with the Group. Therefore the independent non-executive Directors consider that the grant of Options or Awards to Related Entity Participants is in line with the Company's future business needs. The Board will select eligible Related Entity Participants based on the related entities' contribution or potential contribution to the Group and will take into account of the Related Entity Participants' qualification, experience, performance and other relevant factors. The Board will also determine the particular terms of grants to Related Entity Participants including the requirements for vesting and any performance targets based on the specific circumstances of each Related Entity Participant. Therefore the independent non-executive Directors consider that such grants of Options or Awards to Related Entity Participants align with the purpose of the Scheme.

Having taken into account of the fact that (i) the Related Entity Participants are in line with the Group's business needs and the market practice; (ii) recognizing the contribution of the Related Entity Participants may enhance their performance and further contribution to the Group; and (iii)

LETTER FROM THE BOARD

the contributions from the Related Entity Participants are essential to the sustainable and successful development of the Group, the Board (including the independent non-executive Directors) is of the view that the inclusion of Related Entity Participants is fair and reasonable and aligns with the purpose of the New Share Scheme and the long term interest of the Company and its Shareholders.

Scheme Mandate Limit

As at the Latest Practicable Date, there were 861,756,364 Shares in issue. Assuming that there is no further change in the number of issued Shares prior to the adoption of the New Share Scheme, the total number of Shares which may be issued in respect of all options and awards under the New Share Scheme and other share schemes of the Company would be no more than 86,175,636 Shares, representing 10% of the total number of Shares in issue as at the date of adoption.

Vesting period

The vesting period for the Options or Awards under the New Share Scheme shall not be less than 12 months. A shorter vesting period may be granted to the Employee Participants at the discretion of the Board in any of the following circumstances:

- (a) grants of “make-whole” Options or Awards to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (c) grants that are made in batches during a year for administrative and compliance reasons where employees with different employment terms may be entitled to grants at different time periods, or such periods may fall under the prohibition under Rule 5.56 of the GEM Listing Rules, which include Options or Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option or Award would have been granted;
- (d) grants with a mixed or accelerated vesting schedule; and
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

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In respect of any grant of Options or Awards to Directors or senior managers with a shorter vesting period due to any of the above circumstances, the remuneration committee of the Company shall also consider and explain why such circumstances for a shorter vesting period is appropriate.

The Board and the remuneration committee noted that in respect of (a) above, the “make-whole” Options or Awards may vested in less than 12 months in order to compensate the new joiners for their forfeited benefits; in respect of (b) above, termination of employment may result in earlier lapse of the Options or Awards; in respect of (c) above, grants of Options or Awards in batches may result in some of the Options or Awards being vested earlier to reflect the otherwise earlier time of grant; in respect of (d) above, grants with mixed or accelerated vesting schedule involve the incorporation of certain triggering events which would accelerate the vesting schedule, and therefore the occurrence of which may result in Options or Awards being vested earlier and in respect of (e) above, performance based vesting conditions may be satisfied within 12 months from grant. In any event, the Board will set the appropriate performance target (if any) after having considering all relevant circumstances and the specific circumstances of each Participant in order to align with the purpose of the Share Scheme.

The Board and the remuneration committee consider that by having the flexibility of having a shorter vesting period for the Employee Participants in accordance with the above circumstances, the Group will be in a better position to attract and retain Employee Participants to continue serving the Group whilst at the same time providing them with further incentive in achieving the goals of the Group, and thereby to achieve the purpose of the New Share Scheme. Hence the Board and the remuneration committee are of the view that the shorter vesting period for the Employee Participants under the above circumstances is in line with the market practice and is appropriate and aligns with the purpose of the New Share Scheme.

Performance targets and clawback mechanism

The grant of Options or Awards shall be subject to any performance targets or clawback mechanism imposed by the Board from time to time for the Company to recover or withhold any remuneration (which may include Options or Awards granted to any grantee) to any Participants in the event of serious misconduct, a material misstatement in the Company’s financial statements or other circumstances.

There are provisions in the New Share Scheme which provides for circumstances under which the Options or Awards shall lapse automatically in the event that the grantees cease to be a Participant or commit a breach of the New Share Scheme.

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If the Options or Awards are granted as a reward to the grantee, it may not contain any performance target or clawback mechanism. As the circumstances for each grant may vary, it may not always be appropriate to impose a generic set of performance target or clawback mechanism. The Board considers that it is more beneficial for the Company to have flexibility to determine whether and to what extent any performance targets or clawback mechanism will be attached to each grant in light of the specific circumstances of each Participant. The Board and the remuneration committee will consider all relevant circumstances including the purpose of the grant and the category of Participants in determining whether any performance target or clawback mechanism should be imposed. By allowing the Company to impose such performance targets and/or clawback mechanism on a case by case basis, the Company will be in a better position to retain such Participants to continue serving the Company and to provide incentives to such Participants in achieving the goals of the Group, which align with the purpose of the New Share Scheme. The independent non-executive Directors are of the view that the Board should retain the flexibility in granting Options or Awards to Participants with or without performance target to suit the specific circumstances of the Participants as incentives or rewards for the contributions or potential contributions of the Participants to the Group which is in line with the purpose of the Share Scheme. In determining the contributions of the Related Entity Participants, the Board will consider the nature, frequency and importance of the transactions between the related entities and the Group when evaluating the contributions of the related entity to the Group.

If any performance targets are imposed, the Board may assess such performance targets against key performance indicators for the Company, its subsidiaries, operating units, projects, geographical divisions or individuals, which may include cash flow; earnings; earnings per share; market value added or economic value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total Shareholder return; and such other goals as the Board may determine from time to time, and subject to such conditions as the Board may think fit. In respect of Related Entity Participants, the performance indicators for the Company and its subsidiaries may be used as it will incentivise the Participants to contribute indirectly to the Group through the transactions between the related entities and the Group. In addition, performance indicators such as sales, revenue and market value in respect of the transactions between the related entities and the Group may also be used.

Other than the circumstances under which the Options or Awards shall lapse automatically as set in the New Share Scheme, if any clawback mechanism is imposed, the Board will take into account individual circumstances when devising such mechanism such as the role of the grantee, the purpose of the grant (for example whether as recognition of past contribution or as incentive to motivate such grantee to contribute to the Group in the future on an ongoing basis), whether it would be particularly burdensome and complicated to implement the clawback mechanism, whether there are any tax implications etc.

LETTER FROM THE BOARD

Exercise price and Purchase Price

The exercise price of an Option shall be a price solely determined by the Board and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant; and (iii) the nominal value of a Share on the date of grant.

The Board may in its absolute discretion determine whether the grantee is required to pay any purchase price for the acquisition of the Shares underlying an Award. The Board will take into account of the current market price of the Shares and the appropriate amount of Shares to be awarded to such grantee when determining the purchase price (if any) for the Award. The Company will disclose the purchase price for the Awards in the announcement on grant of Awards and in its financial statements.

The Directors consider that the authority given to the Directors under the New Share Scheme to determine the exercise price of an Option and the purchase price (if any) of an Award will enable the Company to provide appropriate incentives and/or rewards to the Participants to achieve the purpose of the New Share Scheme.

A summary of the principal terms of the New Share Scheme is set out in the Appendix to this circular.

EGM

A notice convening the EGM is set out on pages 26 of this circular. All resolutions to be proposed at the EGM will be voted on by poll.

A form of proxy for the EGM is enclosed with this circular. Whether or not you intend to be present at the EGM, you are advised to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the EGM. The completion and delivery of a form of proxy will not preclude you from attending and voting at the meeting in person.

As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors having made all reasonable enquiries, no Shareholder is required under the GEM Listing Rules to abstain from voting on the proposed resolution(s) at the EGM.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors are of the opinion that the proposed adoption of New Share Scheme and termination of the Existing Share Option Scheme are in the interest of the Company and the Shareholders as a whole and so recommend you to vote in favour of the resolutions to be proposed at the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information 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.

COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or substantial Shareholders or any of their respective close associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

DOCUMENTS ON DISPLAY

A copy of the rules of the New Share Scheme will be published on the websites of the Company (<http://www.shanyugroup.com>) and the Stock Exchange (www.hkexnews.hk) for a period of 14 days before the date of the EGM and will be available for inspection at the EGM.

Yours faithfully,
On behalf of the Board of
Shanyu Group Holdings Company Limited
Wong Ming Kwan Victoria
Executive Director

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

The following is a summary of the principal terms of the New Share Scheme to be adopted at the EGM:

(i) Purpose of the New Share Scheme

The purpose of the New Share Scheme is to enable the Company to grant Options or Awards to the Participants as incentives or rewards for their contributions to the Group. The New Share Scheme will give the Participants an opportunity to have a personal stake in the Company and will help achieve the following objectives: (a) motivate the Participants to optimise their performance and efficiency; and (b) attract and retain or otherwise maintain a long term relationship with the Participants whose contributions are or will be in line with the business objectives of the Group.

(ii) Who may join and basis of eligibility

The Board may, at its absolute discretion and on such terms as it may think fit, grant to any Participants Options or Awards as it may determine in accordance with the terms of the New Share Scheme. The basis of eligibility of any Participant to the grant of any Option or Award shall be determined by the Board (or as the case may be, the independent non-executive directors) from time to time on the basis of the Participant's contribution or potential contribution to the development and growth of the Group after taking into account of, among others, the Participant's qualification and experience, performance, time commitment, responsibilities, length of engagement with the Group and actual or potential contribution to the business objectives of the Group.

(iii) Vesting Conditions and Exercise Price

The Board may from time to time, in its absolute discretion, determine the vesting date upon which the Options or Awards may be vested in that grantee in respect of all or a proportion of such Options or Awards. The vesting period in respect of any Option or Award shall be not less than twelve (12) months. A shorter vesting period may be granted to the Employee Participants at the discretion of the Board in any of the following circumstances:

- (a) grants of "make-whole" Options or Awards to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;

- (c) grants that are made in batches during a year for administrative and compliance reasons where employees with different employment terms may be entitled to grants at different time periods, or such periods may fall under the prohibition under Rule 5.56 of the GEM Listing Rules, which include Options or Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option or Award would have been granted;
- (d) grants with a mixed or accelerated vesting schedule; and
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

The exercise price of an Option granted under the New Share Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Option, which must be a business day; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant; and (iii) the nominal value of a Share on the date of offer.

The Board may in its absolute discretion determine whether the grantee is required to pay any purchase price for the acquisition of the Shares underlying an Award.

(iv) Grant of Options or Awards and acceptance of offers

An offer for the grant of Options or Awards must be accepted within 21 days inclusive of the day on which such offer was made. The letter of offer shall specify the terms on which the Option or Award is to be granted, including:

- (a) whether it is a grant of Option and/or Award;
- (b) the number of Shares underlying the Option or Award;
- (c) the vesting date and any performance conditions or other conditions that must be satisfied in order for the Option or Award to vest in whole or in part;
- (d) the exercise price and exercise period of the Option and/or the purchase price of the Award; and

- (e) any other terms which may be imposed or not imposed either on a specific Option or Award or generally, provided such terms shall not be inconsistent with any other terms and conditions of the Scheme.

(v) Maximum number of Shares

- (aa) The maximum number of Shares which may be issued in respect of all Options or Awards to be granted under the Scheme and any other schemes of the Group shall not in aggregate exceed 86,175,636 Shares, being 10% of the Shares in issue as at the date of adoption of the Scheme (the “**Scheme Mandate Limit**”). Options or Awards lapsed in accordance with the terms of the Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.
- (bb) If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Options or Awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.
- (cc) The Company may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit under the Scheme after three years from the date of Shareholders’ approval for the last refreshment (or the adoption of the New Share Scheme).
- (dd) Any refreshment within any three year period must be approved by Shareholders of the Company subject to the following provisions:
 - (i) any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
 - (ii) the Company must comply with the requirements under Rules 17.47(6), 17.47(7), 17.47A, 17.47B and 17.47C of the GEM Listing Rules or such other provisions as required under Rule 23.03(C) of the GEM Listing Rules.

The requirements under paragraphs (i) and (ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 17.41(1) of the GEM Listing Rules such that the unused

part of the Scheme Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.

- (ee) The total number of Shares which may be issued in respect of all Options or Awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit. The Company must send a circular to the Shareholders containing the number of Options or Awards that were already granted under the existing Scheme Mandate Limit, and the reason for the refreshment.
- (ff) The Company may seek separate approval by the Shareholders in general meeting for granting Options or Awards beyond the Scheme Mandate Limit provided the Options or Awards in excess of the limit are granted only to Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing the name of each specified Participants who may be granted such Options or Awards, the number and terms of the Options or Awards to be granted to each Participants, and the purpose of granting Options or Awards to the specified Participants with an explanation as to how the terms of the Options or Awards serve such purpose. The number and terms of Options or Awards to be granted to such Participants must be fixed before Shareholders' approval. In respect of any Options to be granted, the date of the board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the exercise price under the GEM Listing Rules.

(vi) Maximum entitlement of each participant

Where any grant of Options or Awards to a Participant would result in the Shares issued and to be issued in respect of all Options or Awards granted to such person (excluding any Options or Awards lapsed in accordance with the terms of the Scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares of the Company in issue (the "**Individual Limit**"), such grant must be separately approved by Shareholders of the Company in general meeting with such Participant and his/her close associates (or associates if the Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders. The circular must disclose the identity of the Participant, the number and terms of the Options or Awards to be granted (and those previously granted to such Participant in the 12-month period), the purpose of granting Options or Awards to the Participant and an explanation as to how the terms of the Options or Awards serve such purpose. The number and terms of the Options or Awards to be granted to such Participant must be fixed before Shareholders' approval.

In respect of any Options to be granted, the date of the board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under the GEM Listing Rules.

(vii) Grant to certain connected persons

- (aa) Any grant of Options or Awards to any director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is a grantee of an Option or Award) and shall comply with the relevant provisions of Chapter 23 of the GEM Listing Rules.
- (bb) Where any grant of Awards (excluding grant of Options) to a director (other than an independent non-executive director) or chief executive of the Company, or any of their associates would result in the Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of the Scheme) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of shares in issue, such further grant of Awards must be approved by Shareholders in general meeting in the manner set out in Rule 23.04(4) of the GEM Listing Rules.
- (cc) Where any grant of Options or Awards to independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Options or Awards granted (excluding any Options and Awards lapsed in accordance with the terms of the New Share Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of shares in issue, such further grant of Options or Awards must be approved by Shareholders of the Company in general meeting. The Company must send a circular to the Shareholders. The grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements under Rule 23.04(4) of the GEM Listing Rules.
- (dd) Any change in the terms of Options or Awards granted to a grantee who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by Shareholders for the Company in the manner as set out in Rule 23.04(4) of the GEM Listing Rule if the initial grant of the Options or Awards requires such approval (except where the changes take effect automatically under the existing terms of the New Share Scheme).

(viii) Restrictions on the times of grant

A grant of Options or Awards may not be made after inside information has come to the Company's knowledge until (and including) the trading day after it has announced the information. In particular, during the period commencing one month immediately before the earlier of:

- (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules); and
- (b) the deadline for the Company to publish an announcement for any year or half-year under the GEM Listing Rules, or quarterly or any other interim period (whether or not required under the GEM Listing Rules),

and ending on the date of the results announcement, no Option or Award may be granted. No Option or Award may be granted during any period of delay in publishing a results announcement.

The timing of giving instructions by the Company to the trustee to conduct on-market or off-market purchases of existing Shares (if applicable) shall be subject to the above restrictions. The grant of Option or Award to Directors shall be subject to the further restrictions under Rule 5.56(a) of the Listing Rules.

(ix) Vesting and Exercise

An Option or Award may be exercised in whole or in part after the same has become vested and (in case of an Option) at any time during a period as the Board may determine which shall not exceed ten years from the date of offer of the Options, by the grantee giving notice in writing to the Company in such form as the Board may from time to time determine stating that the Option or Award is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate exercise price or purchase price (if any) of the Shares in respect of which the notice is given.

Any Award which is not exercised within 28 days after the same has become vested, or such longer period as the Board may determine, shall lapse automatically.

(x) Performance targets and clawback mechanism

The Board may in its absolute discretion impose any conditions, restrictions or limitations in relation any grant of Options or Awards including the achievement of any performance targets by the Company and/or the grantee before the Option or Award shall vest and/or any clawback mechanism for the Company to recover or withhold any remuneration (which may include Options or Awards granted to any grantee) to any Employee Participants or Related Entity Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other appropriate circumstances applicable to the Employee Participants or Related Entity Participants as the Board may determine.

(xi) Ranking of Shares

The Shares to be allotted upon the exercise of an Option or Award will be subject to all the provisions of the constitutional documents of the Company for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to the same rights on voting, transfer and other rights, including those arising on a liquidation of the Company and to participate in all dividends or other distributions paid or made after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be on or before the date of allotment, save that the Shares allotted upon the exercise of any Option or Award shall not carry any voting rights until the name of the grantee has been duly entered on the register of members of the Company as the holder thereof.

(xii) Rights are personal to grantee

An Option or Award shall not be transferable or assignable and shall be personal to the grantee of the Option or Award. Subject to the Stock Exchange granting the necessary waiver, a grantee may transfer any Options or Awards to a vehicle (such as a trust or a private company) for the benefit of the grantee and any family members of such grantee including but not limited to for estate planning and/or tax planning purposes that would continue to meet the purpose of the New Share Scheme and comply with other requirements of Chapter 23 of the Listing Rules. In the event of any such transfer, the Company shall disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle.

(xiii) Rights on death

In the event that the grantee (being an individual) dies before exercising the Option or Award in full, the Board shall determine at its absolute discretion whether any such Option or Award shall vest and the date of such vesting and whether his legal personal representative(s) may exercise any such Option or Award and the period during which it may be exercised. If the Board determine that any such Award or Option shall not vest or exercisable, such Award or Option shall lapse.

(xiv) Rights on cessation of employment by dismissal

In the event that the grantee is a Participant when an offer is made to him and he subsequently ceases to be a Participant on any one or more of the grounds that he has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Group, his Option or Award shall lapse on the date of cessation of his being a Participant.

(xv) Rights on cessation of employment for other reasons

In the event that the grantee is a Participant at the date of grant and he subsequently ceases to be a Participant for any reason other than his death or the termination of his employment on one or more of the grounds specified in (xiv) above, the Board shall determine at its absolute discretion whether any such Option or Award shall vest and the date of such vesting and whether the grantee may exercise any such Option or Award and the period during which it may be exercised. If the Board determine that any such Award or Option shall not vest or exercisable, such Award or Option shall lapse automatically.

(xvi) Effects of alterations to share capital

In the event of any alteration in the capital structure of the Company by way of capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is party), such corresponding adjustments (if any) shall be made in (a) the number of Shares subject to the Option or Award and/or (b) the exercise prices or purchase prices (as the case may be), provided that any such adjustment shall give a grantee the same proportion of the issued share capital of the Company as that to which he was previously entitled, rounded to the nearest whole Share, but no adjustment shall be made to the effect of which would be to enable a Share to be issued at less than its nominal value. In respect of any such adjustments (other than any made on a

capitalisation issue), the auditors or the financial adviser (as the case may be) appointed by the Company must confirm in writing to the Board that the adjustments satisfy the requirements set out in the note to Rule 23.03(13) of the GEM Listing Rules. No adjustments to the exercise or purchase price or the number of shares would be made to the advantage of the Participants without specific prior shareholders' approval.

(xvii) Rights on a general offer

In the event of a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) being made to all the Shareholders (or all such holders other than the offeror and/or any persons controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becoming or being declared unconditional, the Board shall determine at its absolute discretion whether any Option or Award shall vest and the date of such vesting and whether the grantee may exercise any such Option or Award and the period during which it may be exercised. If the Board determine that any such Award or Option shall not vest or exercisable, such Award or Option shall lapse automatically.

(xviii) Rights on winding-up

In the event a notice is given by the Company to the members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all grantees and the Board shall determine at its absolute discretion whether any Option or Award shall vest and the date of such vesting and whether the grantee may exercise any such Option or Award and the period during which it may be exercised prior to the proposed general meeting of the Company. If the Board determine that any such Option or Award shall not vest or exercisable, such Option or Award shall lapse automatically.

(xix) Rights on compromise or arrangement

In the event of a compromise or arrangement between the Company and the Shareholders or the creditors of the Company being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies pursuant to any applicable laws, the Company shall give notice thereof to all the grantees on the same day as it gives notice of the meeting to the Shareholders or the creditors to consider such a compromise or arrangement and the Board shall determine at its absolute discretion whether any Option or Award shall vest and the date of such vesting and whether the grantee may exercise any such Option or Award and the period during which it may be exercised prior to the date of the general meeting directed to be convened by the court for the purposes of considering such compromise or

arrangement (“**Suspension Date**”). With effect from the Suspension Date, the rights of all grantees to exercise their respective Options or Awards shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. The Board shall endeavour to procure that the Shares issued as a result of the exercise of Options or Awards hereunder shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court), the rights of grantees to exercise their respective Options or Awards shall with effect from the date of the making of the order by the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of the New Share Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any grantee as a result of such proposal, unless any such loss or damage shall have been caused by the act, neglect, fraud or willful default on the part of the Company or any of its officers.

(xx) Lapse of options or awards

An Option or Award shall lapse automatically on the earliest of:

- (aa) the expiry of the periods referred to in paragraph (ix) above;
- (bb) the date on which the compromise or arrangement becoming effective referred to in paragraph (xix) above;
- (cc) the date of the commencement of the winding-up of the Company referred to in paragraph (xviii) above;
- (dd) in the event that the grantee is a Participant when an offer is made to him and he subsequently ceases to be a Participant on any one or more of the grounds that he has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee’s service contract, the date of cessation of his being a Participant;

- (ee) the occurrence of any act of bankruptcy, insolvency or entering into of any arrangements or compositions with his creditors generally by the grantee, or conviction of the grantee of any criminal offence involving his integrity or honesty; or
- (ff) the date on which the grantee commits a breach of paragraph (xii).

The Board has the absolute discretion to determine whether, when and to what extent an Option or Award has lapsed, and its decision is final, conclusive and binding. Upon the transfer of the Related Entity Participant from one related entity to another related entity or to the Group or vice versa, the relevant Option or Award shall remain valid so long as the Related Entity Participant remain as a Participant.

(xxi) Cancellation of options or awards

Any cancellation of Options or Awards granted but not exercised may be effected on such terms as may be agreed with the relevant Participant, as the Board may in its absolute discretion sees fit and in manner that complies with all applicable legal requirements for such cancellation. Where the Company cancels Options or Awards and issues new ones to the same Option or Award holder, such new grant may only be made under the New Share Scheme with available Scheme Mandate Limit approved by Shareholders in accordance with Chapter 23 of the GEM Listing Rules. The Options or Awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

(xxii) Period of the New Share Scheme

The New Share Scheme will remain in force for a period of ten years commencing from the date of its adoption and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier pursuant to the terms of the New Share Scheme.

(xxiii) Alteration to the New Share Scheme

The New Share Scheme may be altered in any respect by a resolution of the Board subject to the followings:

- (aa) any alterations to the terms and conditions of the New Share Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 23.03 of the GEM Listing Rules to the advantage of the grantee must be approved by the Shareholders of the Company in general meeting;

- (bb) any change to the terms of Options or Awards granted to a grantee must be approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be) if the initial grant of the Options or Awards was approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders of the Company, (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the New Share Scheme;
- (cc) the amended terms of the New Share Scheme, the Options or the Awards must still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules; and
- (dd) any change to the authority of the directors, trustee or scheme administrators to alter the terms of the New Share Scheme must be approved by Shareholders of the Company in general meeting.

(xxiv) Termination to the New Share Scheme

The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Share Scheme and in such event no further Options or Awards will be offered but Options or Awards granted prior to such termination but not yet exercised or in respect of which Shares are not yet issued to the grantees shall continue to be valid and exercisable in accordance with provisions of the New Share Scheme.

(xxv) Conditions of the New Share Scheme

The New Share Scheme shall take effect subject to the passing of the necessary resolution to adopt the same by the Shareholders in general meeting and is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares to be issued pursuant to the exercise of any Options or Awards which may be granted thereunder.

NOTICE OF EXTRAORDINARY GENERAL MEETING



Shanyu Group Holdings Company Limited
善裕集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8245)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of Shanyu Group Holdings Company Limited (the “**Company**”) will be held at Unit 1103–06, China Building, 29 Queen’s Road Central, Hong Kong on Thursday, 28 March 2024 at 11:00 a.m. to consider and, if thought fit, to pass with or without amendments, the following resolution:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the granting by the Listing Committee of the Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) of the listing of and permission to deal in the shares of the Company (“**Shares**”) to be issued and allotted by the Company under the proposed share scheme of the Company (the “**New Share Scheme**”, a copy of which has been produced to the meeting marked ‘A’ and initialed by the chairman of the meeting for the purpose of identification):

- (a) the New Share Scheme be and is hereby approved and adopted as the Company’s share scheme and the directors of the Company be and are hereby authorized to do all such acts and to take all such steps as they may deem necessary, desirable or expedient to carry into effect, waive or amend the New Share Scheme subject to the terms of the New Share Scheme and the Rules Governing the Listing of Securities on GEM of the Stock Exchange (as amended from time to time);
- (b) the directors of the Company be and are hereby authorised to grant options or awards for shares in accordance with the rules of the New Share Scheme up to a maximum of 10% of the Shares in issue as at the date of passing of this resolution, to issue and allot Shares pursuant to the exercise of the options or awards so granted, to administer the New Share Scheme in accordance with its terms and to take all necessary actions incidental thereto as the Directors of the Company deem fit; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) subject to paragraph (a) and (b) hereinabove, the share option scheme adopted by the Company on 16 September 2015 be and is hereby terminated (save with respect to any outstanding, issued and unexercised options thereof) with effect from the adoption of the New Share Scheme.”

By order of the Board
Shanyu Group Holdings Company Limited
Wong Ming Kwan Victoria
Executive Director

Hong Kong, 12 March 2024

Notes:

1. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association, vote in his stead. A proxy need not be a member of the Company but must be an individual and be present in person at the meeting to represent the member. If more than one proxy is appointed, the appointment shall specify the number of Shares in respect of which each of such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the office of Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting, and in such event the instrument appointing a proxy shall be deemed to be revoked.
4. If tropical cyclone warning signal no. 8 or above, "extreme conditions" caused by super typhoons or a black rainstorm warning is in effect at any time after 8:00 a.m. on Thursday, 28 March 2024, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.

As at the date of this notice, the Board comprises three executive Directors, namely Mr. Yeung Shing Wai, Ms. Wong Ming Kwan Victoria and Ms. Zhu Yuanyan; and three independent non-executive Directors, namely Mr. Choi Pun Lap, Ms. Ip Sin Nam and Mr. Yu Lap Pan.

NOTICE OF EXTRAORDINARY GENERAL MEETING

This notice, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information 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 notice 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 notice misleading.

This notice will remain on the Stock Exchange's website at <http://www.hkexnews.hk> on the "Latest Listed Company Information" page for at least seven days from the date of its publication and posting and will be published and remains on the website of the Company at <http://www.shanyugroup.com>.