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盛源控股有限公司

SHENG YUAN HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock code: 851)

ISSUE OF CONVERTIBLE BONDS

ISSUE OF CONVERTIBLE BONDS

On 17 November 2017 (after trading hours), the Company entered into a Subscription Agreement with each of the Subscribers in relation to the issuance of the Convertible Bonds of an aggregate principal amount of HK\$110,000,000. The Convertible Bonds will bear the Rate of Interest of 8% per annum and will be due on the first anniversary of the Initial Issue Date. Assuming the exercise in full of the Conversion Right at the initial Conversion Price and the aggregate principal amount of HK\$110,000,000 of the Convertible Bonds is issued, a total of 314,285,714 Conversion Shares will be issued at an initial Conversion Price of HK\$0.35 per Share.

LISTING RULES IMPLICATIONS

By a resolution of the Shareholders passed at the annual general meeting of the Company held on 26 May 2017, the Company granted the General Mandate to the Directors to allot and issue up to 20% of the aggregate nominal amount of the share capital of the Company in issue on 26 May 2017, i.e. 708,512,511 Shares. The Directors have not exercised the power to allot and issue any new Shares pursuant to the General Mandate. As at the date of this announcement, the Directors are entitled to issue up to 708,512,511 Shares pursuant to the General Mandate. It is intended that the Conversion Shares will be allotted and issued under the General Mandate.

The Convertible Bonds and the Conversion Shares will be issued pursuant to authority conferred upon the Directors under the General Mandate granted on 26 May 2017.

Shareholders and potential investors should note that the Completion is subject to fulfillment of the Conditions Precedent under the Subscription Agreements. As the transaction may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

On 17 November 2017 (after trading hours), the Company entered into a Subscription Agreement with each of the Subscribers in relation to the issuance of the Convertible Bonds of an aggregate principal amount of HK\$110,000,000 with a term of 1 year, at an initial Conversion Price of HK\$0.35 per Share.

Details of the terms of the Subscription Agreements and the Convertible Bonds are summarized below.

SUBSCRIPTION AGREEMENTS

On 17 November 2017, the Company entered into a Subscription Agreement, on principally the same terms (except as disclosed below in this section), which each of the Subscribers.

Mr. Chen Subscription Agreement

Date: 17 November 2017

Issuer: the Company

Subscriber: Mr. Chen Zhong Min as subscriber

Bond Consideration: HK\$100,000,000

Mr. Wang Subscription Agreement

Date: 17 November 2017

Issuer: the Company

Subscriber: Mr. Wang Lei as subscriber

Bond Consideration: HK\$10,000,000

Conditions Precedent: Completion is conditional on:

- (a) the warranties under the relevant Subscription Agreement remaining true, accurate and correct in all material aspects;
- (b) all issued Shares remaining listed on, and not having been withdrawn from, the Stock Exchange and the Stock Exchange not having indicated that it will object to such listing and there being no events or circumstances existing based on which the Stock Exchange could reasonably be expected to raise such objection;
- (c) the approval of the Board in relation to the transactions contemplated under the relevant Subscription Agreement;
- (d) listing of, and permission to deal in, all of the Conversion Shares upon conversion of the Convertible Bonds having been granted by the Listing Committee of the Stock Exchange (either unconditionally or if subject to conditions, such conditions being reasonably acceptable to the relevant Subscriber and if required by the Stock Exchange for it to be fulfilled before Completion, such conditions being fulfilled or satisfied before Completion) and such listing and permission remaining in full force and effect and not subsequently being revoked;
- (e) there being no event existing or having occurred and no condition being in existence which would (had any Convertible Bonds already been issued) constitute an Event of Default; and
- (f) there being no injunction, restraining order or order of similar nature by a governmental authority issued as of the Completion Date that could prevent or materially interfere with the consummation of the transactions contemplated under the relevant Subscription Agreement.

In the event that all the Conditions Precedent shall have not been satisfied or waived in writing by the relevant Subscriber on or before 29 December 2017 or such other date as the parties to the relevant Subscription Agreement may agree, the relevant Subscription Agreement (save for the provisions relating to interpretation, announcement, confidentiality and notices, general provisions and governing law and jurisdiction) shall lapse and become null and void between the Company and the relevant Subscriber and neither the Company nor the relevant Subscriber shall have or make any claim against the other in respect thereof save for liabilities for any antecedent breach.

The relevant Subscriber may at any time waive in writing any or all of the Conditions Precedent (save and except for (b) to (f) above, if as a result of such waiver the Company would be in breach of the Listing Rules, the Takeovers Code or the rules or regulations of any relevant governmental, statutory or regulatory authority) either in whole or in part and conditionally or unconditionally by giving notice in writing to the Company.

Completion:

Subject to the fulfillment or waiver of the Conditions Precedent, Completion shall take place on the Completion Date at such place and time to be agreed in writing between the Company and the relevant Subscriber. The Completion Date shall be in any event no later than 29 December 2017.

Termination:

If an effect or circumstance that carries a Material Adverse Effect occurs prior to the Completion, the relevant Subscriber may, without liability to the Company, elect not to proceed to the Completion by giving notice in writing to the Company at any time prior to 5:00 p.m. (Hong Kong time) on the Completion Date.

Upon serving of such notice, the relevant Subscription Agreement (save for the provisions relating to interpretation, announcement, confidentiality and notices, general provisions and governing law and jurisdiction) will lapse and become null and void and the Company and the relevant Subscriber will be released from all obligations under the relevant Subscription Agreement, save for liabilities for any antecedent breaches of the relevant Subscription Agreement.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of the Subscribers is an Independent Third Party.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

Issuer:	the Company
Term:	1 year
Denomination:	HK\$1,000,000 each
Rate of Interest:	8.0 per cent per annum

Interest accrued on a Convertible Bond shall be calculated by applying the Rate of Interest to the principal amount of such Convertible Bond and paid in Hong Kong Dollars.

The Convertible Bonds shall bear interest at the Rate of Interest in respect of each Interest Period and the Company shall pay such interest on each Interest Payment Date.

Status of the Convertible Bonds: The Convertible Bonds constitute senior, direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank *pari passu* and ratably without any preference or priority among themselves and with all existing and future unsubordinated and unsecured obligations.

Transfer of the Convertible Bonds:

- (1) Subject to, among others, (2) to (3) below, a Convertible Bond may be transferred or exchanged at any time by delivery of the Certificate issued in respect of that Convertible Bond, with the endorsed form of transfer duly completed and signed by the registered Bondholder or his attorney duly authorised in writing, to the Company at the Designated Office together with such evidence as the Company may reasonably require to prove the authority of the individuals who have executed the form of transfer. No transfer of title to a Convertible Bond will be valid unless and until entered on the Register of Bondholders.
- (2) A Convertible Bond may only be transferred if:
 - (a) such transfer shall be in compliance with the terms and conditions of the relevant Subscription Agreement;

- (b) it is not transferred to any person who is a connected person (as defined under the Listing Rules) of the Company unless with (i) prior notification to the Company, (ii) full compliance of the Listing Rules, (iii) full compliance with requirements (if any) that the Stock Exchange may impose from time to time; and (iv) the consent (if applicable) of the Stock Exchange; and
 - (c) the Bondholder proposing to transfer a Convertible Bond has given the Company not less than 30 days' prior written notice. The Company shall be entitled to require the transferee to provide on a timely basis such documentation and other evidence for the purpose of (i) background checks (or "know you customer" checks) on the transferee and (ii) identification as to whether the transferee is a connected person (as defined under the Listing Rules) of the Company, as is reasonably requested by the Company and to the satisfaction of the Company. Where the Company has not received such documentation and evidence from the transferee within the notice period set out in the Bondholder's aforesaid written notice, the Company shall forthwith inform the Bondholder. The Convertible Bonds shall not be transferred before such documentation and evidence is provided to the Company.
- (3) No Bondholder may require the transfer of any Convertible Bond to be registered (i) during the period of three (3) Business Days ending on (and including) the dates for payment of any principal pursuant to the Conditions; (ii) after a Conversion Notice has been delivered with respect to such Convertible Bond; or (iii) any of the Interest Payment Dates.

**Redemption, Maturity
and Cancellation:**

Unless previously redeemed, converted or cancelled as provided in the Conditions, the Company will redeem each Bond on the Maturity Date at the Redemption Amount.

All Convertible Bonds which are redeemed or converted by the Company will forthwith be cancelled and such Convertible Bonds may not be reissued or resold.

Conversion Price:

The price at which Shares will be issued upon conversion will be HK\$0.35 per Share but will be subject to adjustments in the manner as described below.

The initial Conversion Price of HK\$0.35 represents:

- (i) a premium of approximately 27.3% to the closing price of HK\$0.275 per Share as quoted on the Stock Exchange on 17 November 2017, being the last Trading Day prior to the date of this announcement;
- (ii) a premium of approximately 28.2% to the average closing price of the Shares of approximately HK\$0.273 per Share as quoted on the Stock Exchange over the last five Trading Days up to and including the date of this announcement; and
- (iii) a premium of approximately 25.4% to the average closing price of the Shares of approximately HK\$0.279 per Share as quoted on the Stock Exchange over the last ten Trading Days up to and including the date of this announcement.

The Conversion Price was determined after arms' length negotiations between the Company and each of the Subscribers having regard to the prevailing market price of the Shares prior to the date of this announcement and the business performance of the Group under the prevailing market conditions.

Conversion:

Subject to, and upon compliance with, the provisions of the Conditions, the Conversion Right attaching to any Convertible Bond may be exercised, during the Conversion Period.

Assuming full conversion of the Convertible Bonds at the initial Conversion Price, the Convertible Bonds will be converted into approximately 314,285,714 Shares, representing approximately 8.8% of the existing issued share capital of the Company and approximately 8.1% of the issued share capital of the Company as enlarged by the conversion.

**Adjustments to
Conversion Price:**

Subject to other provisions of the Conditions, Conversion Price will be subject to adjustment in certain events, including: consolidation, subdivision or reclassification, capitalisation of profits or reserves, capital distribution, rights issues of Shares or options over Shares (at less than 95% of the Current Market Price per Share on the last Trading Day preceding the date of the announcement of the terms of such issue or grant), rights issues of other securities etc.

Events of Default:

For so long as any Convertible Bond remains outstanding, the holders of Convertible Bonds at their discretion may, give notice to the Company that the Convertible Bonds are, and they shall accordingly thereby become, immediately due and repayable without further formality at an amount equal to the Redemption Amount, if any of the following Event of Default occurs:

- (a) there is failure by the Company to pay any principal, interest or any other amount due in respect of the Convertible Bonds and the Company fails to rectify such failure within five (5) Business Days from the payment due date;
- (b) there is any failure by the Company to deliver any Shares as and when the Shares are required to be delivered following conversion of Convertible Bonds;
- (c) there has been any material breach of and non-compliance with any applicable law, regulation or Listing Rules by the Company and the Financial Subsidiary which will result in a Material Adverse Effect;
- (d) the Shares cease to be listed on the Stock Exchange or a recognized stock exchange or are suspended from trading on the Stock Exchange for a continuous period of thirty (30) trading days due to the default of the Company, excluding any suspension in connection with (i) the restructuring of the Financial Subsidiary; and (ii) the clearance of any announcement, circular or other documents pursuant to the Listing Rules or the Takeovers Code; or
- (e) it is or will become unlawful for the Company to perform or comply with any one or more of its covenants, conditions, provisions or obligations under any of the Convertible Bonds.

Lock-Up Period: A Bondholder shall be free to dispose of any of the Conversion Shares to be issued and allotted upon the Bondholder exercises his Conversion Right in accordance with the Conditions.

Voting: The Bondholders shall not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of it being a holder of Convertible Bonds.

Listing: The Convertible Bonds will not be listed on the Stock Exchange or any other stock exchange.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Shares to be issued pursuant to the General Mandate upon the exercise of the Conversion Rights attached to the Convertible Bonds.

- Undertakings:**
- (1) The Company shall not enter into any deed, agreement, assignment, instrument or documents whatsoever binding on it which may result in any breach of its constitutional documents or any of the terms and conditions of the Convertible Bonds and/or the relevant Subscription Agreement.
 - (2) The Company shall not issue any further equity securities if and to the extent that such issuance will result in the Company being unable to comply with the adjustment provisions and its obligations to deliver Shares under the Conditions or result in breach of the Listing Rules (including but not limited to the minimum public float requirement of the Listing Rules).
 - (3) Unless so required by the Stock Exchange, the Listing Rules, applicable law or regulation or for the purpose of establishing any dividend or other rights attaching to the Shares, the Company shall not close the register of shareholders of the Company or take any other action which would prevent the transfer of its Shares (including the Conversion Shares).

- (4) If the Company proposes to issue any equity securities, it shall, to the extent permitted under applicable law and the Listing Rules, give each Bondholder written notice of its intention, describing the equity securities and the price and other terms and conditions upon which the Company proposes to issue the same. Each Bondholder shall have fifteen (15) days from the date such notice is deemed given to exercise its right to purchase its pro-rata share of the equity securities on the terms and conditions specified in the notice by giving written notice thereof to the Company.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge of the Directors and the Company, assuming that no other Shares will be issued, the shareholding structure of the Company (i) as at the date of this announcement, (ii) immediately after conversion in full of the Convertible Bonds 2014, (iii) immediately after conversion in full of the Convertible Bonds at the initial Conversion Price, and (iv) immediately after conversion in full of the Convertible Bonds 2014 and the Convertible Bonds at the initial Conversion Price is as follows:

Name of Shareholder	As at the date of this announcement		Immediately after conversion in full of the Convertible Bonds 2014		Immediately after conversion in full of the Convertible Bonds		Immediately after conversion in full of the Convertible Bonds 2014 and the Convertible Bonds	
	Number of Shares	Percentage of shareholding (%)	Number of Shares	Percentage of shareholding (%)	Number of Shares	Percentage of shareholding (%)	Number of Shares	Percentage of shareholding (%)
Substantial Shareholders								
King Lion Group Limited (Note 1)	1,011,000,000	28.4	1,011,000,000	27.6	1,011,000,000	26.1	1,011,000,000	25.4
Lu Xing (Note 2)	420,000,000	11.8	420,000,000	11.5	420,000,000	10.8	420,000,000	10.6
Front Riches Investments Limited	370,000,000	10.4	370,000,000	10.1	370,000,000	9.5	370,000,000	9.3
Holders of Convertible Bonds 2014								
(Note 3)	-	-	100,000,000	2.7	-	-	100,000,000	2.5
Subscribers	-	-	-	-	314,285,714	8.1	314,285,714	7.9
Public Shareholders	1,761,562,556	49.4	1,761,562,556	48.1	1,761,562,556	45.5	1,761,562,556	44.3
Total	3,562,562,556	100	3,662,562,556	100	3,876,848,270	100	3,976,848,270	100

Notes:

- (1) King Lion Group Limited is wholly owned by Smart Chant Limited which in turn is wholly owned by Mr. Gao Yongzhi.
- (2) Mr. Lu Xing owned the entire share capital of Redhead Investments Limited, Ascher Group Limited and Headwind Holdings Limited which in turn held 300,000,000 Shares, 100,000,000 Shares and 20,000,000 Shares respectively.
- (3) As disclosed in the announcement of the Company dated 19 December 2014, the Company entered into subscription agreements with various subscribers in relation to the issuance of the Convertible Bonds 2014 in a principal amount of HK\$35,000,000 and due on 29 December 2017. Upon the exercise of any conversion right attached to the Convertible Bonds 2014, the Company will be required to issue conversion share(s) at a conversion price of HK\$0.35 per Share.
- (4) As disclosed in the announcement of the Company dated 5 November 2014, the Company entered into a subscription agreement with a subscriber in relation to the issuance of convertible bonds in a principal amount of HK\$100,000,000. The maturity date for these convertible bonds is 18 November 2017 and the Company intends to redeem 100 per cent. of the outstanding principal amount, together with accrued interest, and all other amounts accrued or outstanding under such convertible bonds on the maturity date.

LISTING RULES IMPLICATIONS

By a resolution of the Shareholders passed at the annual general meeting of the Company held on 26 May 2017, the Company granted the General Mandate to the Directors to allot and issue up to 20% of the aggregate nominal amount of the share capital of the Company in issue on 26 May 2017, i.e. 708,512,511 Shares. The Directors have not exercised the power to allot and issue any new Shares pursuant to the General Mandate. As at the date of this announcement, the Company is entitled to issue up to 708,512,511 Shares pursuant to the General Mandate. It is intended that the Conversion Shares will be allotted and issued under the General Mandate.

The Convertible Bonds and the Conversion Shares will be issued pursuant to authority conferred upon the Directors under the General Mandate granted on 26 May 2017.

USE OF PROCEEDS

The estimated net proceeds of the Convertible Bonds issue, after deduction of expenses, are expected to amount to approximately HK\$109.9 million. It is intended that the Company shall use the net proceeds from the issue of the Convertible Bonds to repay debts of the Company or general working capital of the Company.

The net price to the Company of each of the Convertible Bonds, which is calculated by dividing the aggregate net proceeds by the total number of the Conversion Shares based on the initial Conversion Price, is approximately HK\$0.3497.

REASONS FOR AND BENEFITS OF THE CONVERTIBLE BOND ISSUE

The Directors consider raising funds by issuing the Convertible Bonds is justifiable considering the recent market conditions which represent an opportunity for the Group to enhance its working capital and strengthen its capital base. The Directors consider that the issue of the Convertible Bonds is an appropriate means of raising additional capital for the Group since it will not have an immediate dilution effect on the shareholding of the existing Shareholders and the current market circumstances make it difficult to borrow funds from the financial market.

The Directors consider that the terms of the Subscription Agreements, which were arrived at after arms' length negotiations between the Company and the Subscribers, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

There were no fund raising activities of the Company by way of issue of equity securities in the past 12 months.

INFORMATION ON THE SUBSCRIBERS

Each of the Subscribers is (i) an individual investor; (ii) independent of the other Subscriber; and (iii) an Independent Third Party of the Company.

INFORMATION ON THE COMPANY

The Company is an investment holding company. Its subsidiaries are principally engaged in securities brokerage and financial services, and asset management services.

Shareholders and potential investors should note that the Completion is subject to fulfillment of the Conditions Precedent under the Subscription Agreements. As the transaction may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Board” means the board of directors of the Company from time to time

“Bond Consideration” means the consideration payable by each of the Subscribers in relation to the Subscription of the Convertible Bonds under the respective Subscription Agreement

“Bondholder(s)” means the person(s)/entity(ies) in whose name a Convertible Bond is registered in the Register of Bondholders

“Business Day(s)” means a day (other than a Saturday and a Sunday and a day on which a tropical cyclone warning number 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general banking business in Hong Kong throughout their normal business hours

“Certificate” means the certificate, substantially in the form set out in the Subscription Agreements, to be issued in respect of the Convertible Bonds, together with the Conditions

“Company” means Sheng Yuan Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange

“Completion”	means completion of the transactions contemplated in the Subscription Agreements
“Completion Date”	means the date on which the Completion takes place, which shall be in any event no later than 29 December 2017
“Conditions”	means the terms and conditions to the Convertible Bonds to be attached to the Certificates substantially in the form set out in the Subscription Agreements
“Conditions Precedent”	means the conditions precedent set out in the relevant Subscription Agreement
“Conversion Notice”	means a notice of conversion the Bondholder completes, executes and deposits at its own expense during normal business hours at the Designated Office to exercise the Conversion Right attaching to any Convertible Bond
“Conversion Period”	means any time following the Initial Issue Date up to and including the Trading Day immediately before the Maturity Date but, except in cases of revival and/or survival after default, in no event the Maturity Date
“Conversion Price”	means the price at which Shares will be issued upon conversion of the Convertible Bonds
“Conversion Right”	means the right of each Bondholder to convert any Convertible Bond held by it into Shares
“Conversion Share(s)”	means the Share(s) to be issued by the Company upon conversion of the Convertible Bonds
“Convertible Bond(s)”	means the convertible bonds due 2018 in the aggregate principal amount of HK\$110,000,000 having a denomination of HK\$1,000,000 each, constituted by the Certificate and to be issued by the Company on the Completion Date pursuant to the relevant Subscription Agreement with the benefit of and subject to the Conditions

“Convertible Bonds 2014”	means the convertible bonds issued by the Company on 30 December 2014 due on 29 December 2017 in a principal amount of HK\$35,000,000, details of which are set out in the announcement of the Company dated 19 December 2014
“Current Market Price”	means in respect of the Shares on a particular date, the average closing price per Share quoted on the daily quotation sheets of the Stock Exchange for the ten (10) consecutive Trading Days immediately preceding the day of such date
“Designated Office”	means the Company’s principal place of business in Hong Kong from time to time
“Directors”	means Directors of the Company
“Encumbrance”	includes any interest or equity of any person (including any right to acquire, right of first refusal, option or right of pre-emption); any mortgage, charge, pledge, lien, assignment, hypothecation, security interest of any kind (including any created by law), title retention or other security agreement or arrangement; and any rental, hire purchase, credit or conditional sale or other agreement for payment on deferred terms and includes any agreement for any of the same
“Event(s) of Default”	means the events of default of the Convertible Bonds as stipulated under the Conditions
“Financial Subsidiary”	means Sheng Yuan Financial Services Group Limited, which is a wholly-owned subsidiary of the Company
“General Mandate”	means the general mandate granted to the Directors to allot and issue up to 20% of the aggregate nominal amount of the share capital of the Company in issue on 26 May 2017, by a resolution of the Shareholders passed at the annual general meeting of the Company held on 26 May 2017
“Group”	means the Company and its subsidiaries from time to time
“Hong Kong”	means Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	means party(ies) who is/are independent of the Company and its connected persons and is/are not a connected person(s) of the Company
“Initial Issue Date”	means the date on which a Convertible Bond is first issued
“Interest Payment Date(s)”	means the last calendar date of each Interest Period which includes the Maturity Date
“Interest Period”	means every 6-month interest period that commences on the Initial Issue Date and ends on the Maturity Date
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“Material Adverse Effect”	means an event or circumstance, occurrence or any combination thereof arising or occurring, the effect of which is reasonably likely to have a material adverse effect on the business, operations, assets, liabilities (including contingent liabilities), business or financial condition, results or prospects of the Group as a whole, or the ability of the Company to perform its obligations under the relevant Subscription Agreement, provided that (a) any change that generally affects the industries or markets in which the Group operates, (b) any change in the financial markets or general economic or political conditions, (c) any change in law or any accounting principle applicable to the Group shall not be taken as a Material Adverse Effect
“Maturity Date”	means the calendar day immediately before the first anniversary date of the Initial Issue Date
“Mr. Chen Subscription Agreement”	means the subscription agreement entered into between the Company and Mr. Chen Zhong Min, an Independent Third Party, on 17 November 2017 (after trading hours) in relation to the issue of the Convertible Bonds in the principal amount of HK\$100,000,000, as varied, amended, modified, varied or supplemented in writing by the parties thereto from time to time

“Mr. Wang Subscription Agreement”	means the subscription agreement entered into between the Company and Mr. Wang Lei, an Independent Third Party, on 17 November 2017 (after trading hours) in relation to the issue of the Convertible Bonds in the principal amount of HK\$10,000,000, as varied, amended, modified, varied or supplemented in writing by the parties thereto from time to time
“PRC”	means the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Rate of Interest”	means 8.0 per cent. per annum
“Redemption Amount”	means 100 per cent. of the outstanding principal amount, together with accrued interest, and all other amounts accrued or outstanding under the Convertible Bond
“Register of Bondholders”	means the register of the Convertible Bonds to be kept and maintained by the Company’s principal share registrar and transfer office in Bermuda
“Shares”	means the shares of HK\$0.05 each in the capital of the Company
“Shareholder(s)”	means holder(s) of the Shares
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Subscribers”	means Mr. Chen Zhong Min and Mr. Wang Lei
“Subscription Agreement(s)”	means the Mr. Chen Subscription Agreement and Mr. Wang Subscription Agreement, or any one of them
“Takeovers Code”	means the Hong Kong Code on Takeovers and Mergers and Share Buy-backs
“Trading Day”	means a day on which trading of the Shares is conducted on the Stock Exchange in accordance with the rules and regulations of the Stock Exchange promulgated from time to time

“HK\$”

means Hong Kong Dollars, the lawful currency from time to time of Hong Kong

By order of the Board

Sheng Yuan Holdings Limited

Wu Siu Lam, William

Executive Director and Chief Executive Officer

Hong Kong, 17 November 2017

As at the date of this announcement, the Board consists of Mr. Wu Siu Lam, William, Ms. Cheng Kit Sum, Clara and Mr. Qiu Bin (all being executive Directors), Dr. Huan Guocang, Mr. Lo Ka Wai and Mr. Wu Fred Fong (all being independent non-executive Directors).