

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Touyun Biotech Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker, or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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Touyun Biotech Group Limited

透雲生物科技集團有限公司

(Incorporated in Bermuda with limited liability)

Website: www.touyunbiotech.com.hk

(Stock Code: 1332)

PROPOSALS FOR

- (1) GENERAL MANDATE TO ISSUE SHARES;**
- (2) REPURCHASE MANDATE TO REPURCHASE SHARES;**
- (3) RE-ELECTION OF DIRECTORS; AND**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (“AGM”) of Touyun Biotech Group Limited (formerly known as China Touyun Tech Group Limited) (the “Company”) to be held on Friday, 9 June 2023 at 10:30 a.m. at The Function Room 1–2, 2/F., The Harbourview, 4 Harbour Road, Wanchai, Hong Kong is set out on pages 13 to 16 of this circular. A form of proxy for use at the AGM is enclosed and can also be downloaded from the Company’s website at (www.touyunbiotech.com.hk) and the website of Hong Kong Exchanges and Clearing Limited at (www.hkexnews.hk). Whether or not you are able to attend and vote at the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 48 hours before the time of the AGM (i.e. at or before 10:30 a.m. on Wednesday, 7 June 2023 (Hong Kong time)), or any adjourned thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so desire and, in such event, the form of proxy shall be deemed to be revoked.

27 April 2023

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held on Friday, 9 June 2023 at 10:30 a.m.
“AGM Notice”	the notice convening the AGM set out on pages 13 to 16 of this circular
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“close associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Company”	Touyun Biotech Group Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the main board of the Stock Exchange
“core connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot and issue Shares in the manner as set out herein
“Latest Practicable Date”	21 April 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Related Group”	means (i) each of the Substantial Shareholders of the Company (as defined under the Listing Rules), and (ii) each Associate (as defined under the Listing Rules) and substantial shareholder or direct or indirect associated company or jointly controlled entity of any of the Company or of a Substantial Shareholder referred to in (i) above, and (iii) each Associate or Substantial Shareholder or direct or indirect associated company or jointly controlled entity of any of the foregoing entities referred to in (ii) above, and (iv) each Associate or Substantial Shareholder or direct or indirect associated company or jointly controlled entity of any of the foregoing entities referred to in (iii) above, and (v) each Associate or Substantial Shareholder or direct or indirect associated company or jointly controlled entity of any of the foregoing entities referred to in (iv) above
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares in the manner as set out herein
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the share(s) of HK\$0.04 each in the share capital of the Company
“Share Repurchase Code”	the Hong Kong Code on Share Repurchase
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	percent

LETTER FROM THE BOARD



Touyun Biotech Group Limited
透雲生物科技集團有限公司

(Incorporated in Bermuda with limited liability)

Website: www.touyunbiotech.com.hk

(Stock Code: 1332)

Executive Directors:

Mr. Wang Liang (*Chairman*)
Mr. Du Dong

Non-executive Directors:

Mr. Chen Hui
Ms. Tian Yuze
Mr. Zhang Lele
Mr. Jia Wenjie

Independent Non-executive Directors:

Mr. Cheung Wing Ping
Mr. Ha Kee Choy Eugene
Mr. To Shing Chuen
Mr. Hu Guohua

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business in Hong Kong:*

12/F, Kwan Chart Tower
6 Tonnochy Road
Wan Chai
Hong Kong

27 April 2023

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR
(1) GENERAL MANDATE TO ISSUE SHARES;
(2) REPURCHASE MANDATE TO REPURCHASE SHARES;
(3) RE-ELECTION OF DIRECTORS; AND
(4) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM relating to, inter alia, (i) the granting to the Directors of the Issue Mandate to issue Shares up to a maximum of 20% of the number of issued Shares of the Company at the date of passing the resolution at the AGM; (ii) the granting to the Directors of the Repurchase Mandate to exercise all the powers of the Company to repurchase Shares up to a maximum of 10% of the number of issued Shares of the Company as at the date

LETTER FROM THE BOARD

of passing the resolution at the AGM; (iii) the extension of the Issue Mandate by those Shares repurchased by the Company pursuant to the Repurchase Mandate granted to the Directors; and (iv) the re-election of Directors.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The general mandates to issue and repurchase Shares, which were last granted by the Shareholders to the Directors at the annual general meeting of the Company held on 2 June 2022, will lapse at the conclusion of the AGM. Ordinary resolutions will therefore be proposed at the AGM to renew the general mandates so as to give the Directors general authority:

- (a) to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot and issue Shares not exceeding 20% of the total number of issued Shares as at the date of passing the resolution. Based on the 2,805,952,149 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are issued prior to the AGM, subject to the passing of the relevant ordinary resolution to approve the Issue Mandate at the AGM, the Directors will be authorised to allot and issue up to a limit of 561,190,429 Shares under the Issue Mandate. The Issue Mandate will expire on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company;
- (b) to grant the Repurchase Mandate to the Directors to exercise all powers of the Company to repurchase issued Shares subject to the criteria set out in this circular. Under the Repurchase Mandate, the maximum number of Shares that the Company may repurchase shall not exceed 10% of the total number of issued Shares as at the date of passing the resolution. As at the Latest Practicable Date, the number of Shares in issue is 2,805,952,149 Shares. Subject to the passing of the proposed ordinary resolution approving the granting of the Repurchase Mandate and assuming no further Shares are issued prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 280,595,214 Shares, being 10% of the issued Shares of the Company as at the date of passing the resolution in relation thereof. The Repurchase Mandate will expire on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company; and

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- (c) subject to the passing of the aforesaid ordinary resolutions of the Issue Mandate and the Repurchase Mandate, to extend the number of Shares to be issued and allotted under the Issue Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

In accordance with the Listing Rules, an explanatory statement is set out in Appendix II to this circular to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution in relation to the grant of the Repurchase Mandate at the AGM.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Bye-law 84 of the Company, Mr. Zhang Lele and Mr. Jia Wenjia shall retire from office as non-executive Directors, and Mr. Hu Guohua shall retire from office as an independent non-executive Director by rotation. The retiring Directors, being eligible, will offer themselves for re-election at the AGM. All the other Directors will continue to be in office.

The re-election of the above Directors has been reviewed by the nomination committee of the Company which recommended to the Board that the re-election be proposed for Shareholders' approval at the AGM.

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Director Nomination Policy and the Company's corporate strategy, and the independence of all independent non-executive Directors. The Company considers that the retiring independent non-executive Director is independent in accordance with the independence guidelines set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

As ordinary business at the AGM, resolutions will be proposed for the re-election of Mr. Zhang Lele, Mr. Jia Wenjia and Mr. Hu Guohua as Directors. Particulars of the retiring Directors as required under the Listing Rules are set out in Appendix I to this circular. Your attention is drawn to the recommendation of the Board in relation to the re-election of Directors set out on page 6 below in the paragraph headed "Recommendation".

NOTICE OF AGM

Notice of the AGM is set out on pages 13 to 16 of this circular. A form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the AGM in person, you should complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof, should you so wish.

LETTER FROM THE BOARD

No Shareholder is required to abstain from voting on the resolutions regarding (i) the granting to the Directors of the Issue Mandate to issue Shares up to a maximum of 20% of the number of issued Shares of the Company at the date of passing the resolution at the AGM; (ii) the granting to the Directors of the Repurchase Mandate to exercise all the powers of the Company to repurchase Shares up to a maximum of 10% of the number of issued Shares of the Company as at the date of passing the resolution at the AGM; (iii) the extension of the Issue Mandate by those Shares repurchased by the Company pursuant to the Repurchase Mandate granted to the Directors; and (iv) the re-election of Directors.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the AGM will be taken by poll and the Company will announce the results of the poll in the manner set out in Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY OF THE DIRECTORS

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

RECOMMENDATION

The Directors are of the opinion that the proposals for the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate to include Shares repurchased pursuant to the Repurchase Mandate, and the re-election of the Directors are in the best interests of the Company and the Shareholders as a whole, and so recommend you to vote in favour of the relevant resolutions to be proposed at the AGM.

Your attention is also drawn to the information set out in the Appendices to this circular and the AGM Notice.

Yours faithfully,
By order of the Board
Touyun Biotech Group Limited
Wang Liang
Chairman

Particulars of the retiring Directors who will offer themselves for re-election at the AGM are set out below:

Mr. ZHANG Lele, aged 39, has been appointed as a Non-executive Director of the Company since 13 November 2020. He holds a bachelor of engineering in electrical engineering (information and communication engineering) from The Hong Kong University of Science and Technology. He also hold a master of business administration in finance from Cheung Kong Graduate School of Business. Mr. Zhang has extensive experience in business advisory to enterprise risk management, investment and capital market, as well as corporate restructuring. Mr. Zhang currently is a chief operation officer of a PRC company engaged in international auction business.

Mr. Zhang has a service agreement with the Company for an initial term of 2 years which is terminable on not less than one month's notice in writing served by either party. He is subject to retirement by rotation and re-election pursuant to the Company's Bye-laws. Mr. Zhang is entitled to receive a salary of HK\$80,000 per month or his pro rata amount for any incomplete month or year, which was determined with reference to the Group's operation results, his duties and level of responsibilities and the prevailing marketing conditions. His emoluments will be reviewed annually by the Remuneration Committee.

As the Latest Practicable Date, Mr. Zhang has not held (i) any other position in the Company and other members of the Group; (ii) any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iii) any other major appointments and professional qualifications. Mr. Zhang has no relationships with any Directors, senior management, substantial or controlling shareholders of the Company (having the meaning ascribed to it in the Listing Rules) and does not have any interests in the securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Zhang is not aware of any other matters in relation to his re-election that need to be brought to the attention of shareholders of the Company and there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Mr. JIA Wenjie, aged 37, has been appointed as a Non-executive Director of the Company since 13 November 2020. He holds a bachelor of science in electrical engineering from the University of Notre Dame. Mr. Jia possess extensive experience in computer programming, information technology industry as well as corporate management. He was a program manager of Microsoft Corporation from 2009 to 2014. He was vice-president of Shanghai TY Technology Co., Ltd (a wholly owned subsidiary of the Company) from 2014 to 2016, responsible for products design, product development and strategic management. He is currently the founder and chief executive officer of a PRC entity engaged in information technology business in the PRC.

Mr. Jia has a service agreement with the Company for an initial term of 2 years which is terminable on not less than one month's notice in writing served by either party. He is subject to retirement by rotation and re-election pursuant to the Company's Bye-laws. Mr. Jia is entitled to receive a salary of HK\$20,000 per annum or his pro rata amount for any incomplete

month or year, which was determined with reference to the Group's operation results, his duties and level of responsibilities and the prevailing marketing conditions. His emoluments will be reviewed annually by the Remuneration Committee.

Save as disclosed above, Mr. Jia has not held (i) any other position in the Company and other members of the Group; (ii) any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iii) any other major appointments and professional qualifications.

As the Latest Practicable Date, Mr. Jia has no relationships with any Directors, senior management, substantial or controlling shareholders of the Company (having the meaning ascribed to it in the Rules Governing the Listing of Securities or the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and does not have any interests in the securities of the Company within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**").

Save as disclosed above, Mr. Jia is not aware of any other matters in relation to his re-election that need to be brought to the attention of shareholders of the Company and there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Mr. HU Guohua, aged 49, has been appointed as an Independent Non-executive Director of the Company since 13 November 2020. He obtained a bachelor's degree in food chemistry and a master's degree in food engineering from Nanchang University (南昌大學) in 1995 and 1998, respectively. Mr. Hu subsequently obtained a doctorate degree in biochemical engineering from the East China University of Science and Technology (華東理工大學) in 2006. Mr. Hu is experienced in biological ingredients production and processed food. In addition to his academic qualifications, Mr. Hu was named as one of the leading talents in science and technology (科技領軍人才) by Suzhou Industrial Park (蘇州工業園區) in 2010. Mr. Hu is the secretary general of the Professional Committee of Sweet Flavouring (甜味劑專業委員會), which is one of the Professional Committees of China Food Additives & Ingredients Association (中國食品添加劑和配料協會).

Mr. Hu currently is an independent non-executive director of Anhui JinHe Industrial Co. Ltd (SHE: 002597), a company listed on the Shenzhen Stock Exchange; Zhejiang Shengda Bio-pharm Co., Ltd (SHA: 603079), a company listed on the Shanghai Stock Exchange and Green Future Food Hydrocolloid Marine Science Company Limited (stock code: 1084), a company whose shares are listed on the Stock Exchange.

Save as disclosed above, Mr. Hu has not held (i) any other position in the Company and other members of the Group; (ii) any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iii) any other major appointments and professional qualifications. As the Latest Practicable Date, Mr. Hu has no relationships with any Directors, senior management, substantial or controlling shareholders of the Company (having the meaning ascribed to it in the Listing Rules) and does not have any interests in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Hu has a service agreement with the Company for an initial term of 3 years which is terminable on not less than one month's notice in writing served by either party. He is subject to retirement by rotation and re-election pursuant to the Company's Bye-laws. Mr. Hu is entitled to receive a salary of HK\$100,000 per annum or his pro rata amount for any incomplete month or year, which was determined with reference to the Group's operation results, his duties and level of responsibilities and the prevailing marketing conditions. His emoluments will be reviewed annually by the Remuneration Committee.

Save as disclosed above, Mr. Hu is not aware of any other matters in relation to his re-election that need to be brought to the attention of shareholders of the Company and there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules.

1. EXERCISE OF THE REPURCHASE MANDATE

On the basis that (i) 2,805,952,149 Shares were in issue as at the Latest Practicable Date, and (ii) no further Shares were issued and/or repurchased between the Latest Practicable Date and the date of the resolution approving the Repurchase Mandate, exercise in full of the Repurchase Mandate would result in up to 280,595,214 Shares being repurchased by the Company during the period from the date of passing the resolution granting the Repurchase Mandate until the earlier to occur of (i) the conclusion of the next annual general meeting of the Company, (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Bye-laws to be held, or (iii) the revocation or variation of the Repurchase Mandate by Shareholders in general meeting.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the interests of the Company and Shareholders to have a general authority from Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and the Bye-laws and the applicable laws of Bermuda.

Under Bermuda law, purchases of the Shares may only be effected out of the capital paid up on the Shares to be purchased or out of funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for such purpose. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account.

Based on the position disclosed in the Company's most recent published audited accounts for the year ended 31 December 2022, and taking into account the current working capital position of the Company, there might be an adverse effect on the working capital or gearing position of the Company if the Repurchase Mandate was exercised in full in the period before expiration of the Repurchase Mandate. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent that it would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

4. EFFECT OF TAKEOVERS CODE

If, as a result of a Share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code and Rule 6 of the Share Repurchase Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. Wang Liang (an Executive Director and Chairman of the Company) is beneficially interested in 624,000,000 Shares (including 1,500,000 Share Option) and his mother Ms. Qiao Yanfeng ("**Ms. Qiao**", a substantial shareholder of the Company) is deemed to be interested in 150,000,000 Shares through TY Technology Group Limited which is in turn owned as to 90% by Wise Tech Enterprises Incorporated (wholly-owned by Ms. Qiao) and 10% by Truthful Bright International Holding Limited (wholly-owned by Ms. Qiao). Mr. Wang Liang together with Ms. Qiao were interested in the aggregate of 774,000,000 Shares, representing approximately 27.6% of the issued Shares of the Company. Based on such shareholdings and in the event that the Directors exercised in full the power to repurchase Shares under the Share Repurchase Mandate, the shareholdings of Mr. Wang Liang together with Ms. Qiao would be increased to approximately 30.6% of the issued Shares of the Company. Accordingly, such increases would trigger a mandatory offer obligation under Rule 26 of the Takeovers Code. The Directors do not intend to repurchase Shares to the extent that Mr. Wang Liang together with Ms. Qiao and their associates would need to make a mandatory general offer pursuant to Rule 26 of the Takeovers Code or the Company cannot satisfy its minimum requirement for public float.

5. GENERAL

None of the Directors and, to the best of their knowledge and belief having made all reasonable enquiries, none of their close associates (as defined in the Listing Rules), have any present intention, in the event that the Repurchase Mandate is approved by the Shareholders to sell Shares to the Company.

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

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

The Company has not repurchased any Shares, whether on the Stock Exchange or otherwise, during the six months preceding the Latest Practicable Date.

6. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date are as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
April	0.98	0.89
May	0.95	0.80
June	0.81	0.69
July	0.75	0.67
August	0.84	0.69
September	0.79	0.58
October	0.65	0.51
November	0.495	0.37
December	0.43	0.37
2023		
January	0.79	0.43
February	0.72	0.66
March	0.72	0.60
April (up to and including the Latest Practicable Date)	0.68	0.57

NOTICE OF AGM



Touyun Biotech Group Limited **透雲生物科技集團有限公司**

(Incorporated in Bermuda with limited liability)

Website: www.touyunbiotech.com.hk

(Stock Code: 1332)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Touyun Biotech Group Limited (the “**Company**”) will be held at The Function Room 1–2, 2/F., The Harbourview, 4 Harbour Road, Wanchai, Hong Kong on Friday, 9 June 2023 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and the independent auditors for the year ended 31 December 2022.
2. To re-elect Mr. Zhang Lele as a non-executive Director of the Company.
3. To re-elect Mr. Jia Wenjie as a non-executive Director of the Company.
4. To re-elect Mr. Hu Guohua as an independent non-executive Director of the Company.
5. To authorize the board of directors to fix the remuneration of the directors.
6. To re-appoint Moore Stephens CPA Limited as independent auditors and to authorise the board of directors to fix their remuneration.

As special business, to consider and, if thought fit, pass with or without amendments, each of the following resolutions as an Ordinary Resolution:

7. **“THAT**
 - (a) a general mandate be and is hereby unconditionally given to the directors of the Company (the “**Directors**”) to exercise during the Relevant Period (as hereinafter defined) all the powers of the Company to allot, issue and deal with unissued shares in the share capital of the Company or securities convertible into shares of the Company (“**Shares**”) or options, warrants or similar rights to subscribe for any Shares and to make or grant offers, agreements or options which would or might require the exercise of such powers either during or after the Relevant Period, in addition to any Shares which may be issued on a Rights

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Issue (as hereinafter defined) or under any option scheme or similar arrangement for the time being adopted for the grant or issue to the employees of the Company and/or any of its subsidiaries or any other eligible person(s) of Shares or rights to acquire Shares, or upon the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible into Shares or any scrip dividend pursuant to the bye-laws of the Company from time to time, not exceeding twenty percent of the aggregate number of issued Shares as at the date of this Resolution (such aggregate number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of this Resolution); and

(b) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until the earlier to occur of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the bye-laws of the Company to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or of the requirements of any recognised regulatory body or any stock exchange applicable to the Company).”

8. **“THAT** there be granted to the Directors an unconditional general mandate to repurchase Shares, and that the exercise by the Directors of all the powers of the Company to purchase Shares subject to and in accordance with all applicable laws and regulations, be and is hereby generally and unconditionally approved, subject to the following conditions:

- (a) such mandate shall not be extended beyond the Relevant Period;
- (b) such mandate shall authorise the Directors to procure the Company to repurchase Shares at such price as the Directors may at their discretion determine;

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(c) the aggregate number of Shares to be repurchased by the Company pursuant to this Resolution during the Relevant Period shall be no more than ten percent of the aggregate number of the issued Shares at the date of passing this Resolution (such aggregate number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of this Resolution); and

(d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until the earlier to occur of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the bye-laws of the Company to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

9. “**THAT** subject to the availability of unissued shares and conditional upon the passing of Ordinary Resolutions 7 and 8 as set out in the notice convening this meeting, the aggregate number of the Shares which are repurchased by the Company pursuant to and in accordance with Ordinary Resolution 7 set out in the notice convening this meeting shall be added to the aggregate number of the Shares that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with Ordinary Resolution 7 set out in the notice convening this meeting.”

By order of the Board
Touyun Biotech Group Limited
Wang Liang
Chairman

Hong Kong, 27 April 2023

Notes:

- (a) Any member entitled to attend and vote at the AGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.

NOTICE OF AGM

- (b) A form of proxy for use at the AGM is enclosed. To be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of that power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude a member from attending the AGM and voting in person. In such event, this form of proxy will be deemed to have been revoked.
- (c) The Register of Members of the Company will be closed from Friday, 2 June 2023 to Friday, 9 June 2023, both days inclusive, for determining the eligibility of shareholders for attending and voting at the AGM. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates should be lodged for registration with Tricor Secretaries Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by 4:30 p.m. on Thursday, 1 June 2023.
- (d) Further information on the proposals regarding (i) re-election of retiring Directors; and (ii) granting of general mandates to issue and repurchase Shares are contained in this circular.