

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 CONTINUOUS
APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS
WHO HAVE SERVED FOR MORE THAN NINE YEARS; AND
(4) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting (“AGM”) of Touyun Biotech Group Limited (the “Company”) to be held on Friday, 7 June 2024 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 15 to 18 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, 5 June 2024 (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.

30 April 2024

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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, 7 June 2024 at 10:30 a.m.
“AGM Notice”	the notice convening the AGM set out on pages 15 to 18 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”	24 April 2024, 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

30 April 2024

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 CONTINUOUS
APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS
WHO HAVE SERVED FOR MORE THAN NINE YEARS; 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

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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.

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 9 June 2023, 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 DIRECTORS AND CONTINUOUS APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS WHO HAVE SERVED FOR MORE THAN NINE YEARS

In accordance with Bye-law 84 of the Company, Mr. Wang Liang and Mr. Du Dong shall retire from office as executive Directors, Mr. Chen Hui shall retire from office as a non-executive Director, and Mr. Ha Kee Choy Eugene and Mr. To Shing Chuen shall retire from office as independent non-executive Directors 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.

According to code provision B.2.3 of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules, if an independent non-executive Director serves more than nine years, any further appointment of such independent non-executive Director should be subject to a separate resolution to be approved by the Shareholders. Mr. Ha Kee Choy Eugene (“**Mr. Ha**”) and Mr. To Shing Chuen (“**Mr. To**”) have been appointed as independent non-executive Directors for more than nine years. The Company has received confirmations of independence from Mr. Ha and Mr. To according to Rules 3.13 of the Listing Rules. Mr. Ha and Mr. To have not engaged in any executive management of the Group. Taking into consideration of their independent scope of work in past years, the Board considers that Mr. Ha and Mr. To are still independent under the Listing Rules despite the fact that they have served the Company for more than nine years. Mr. Ha and Mr. To have confirmed that they will continue to devote sufficient time for the discharge of their functions and responsibilities as an independent non-executive Director. With their background and experience, Mr. Ha and Mr. To are fully aware of the responsibilities and expected time involvement in the Company. Based on the foregoing, the Board believes that the position of Mr. Ha and Mr. To outside the Company will not affect them in maintaining their current role in, their function and responsibilities for the Company. The Board also believes that the continued tenure of Mr. Ha and Mr. To will bring considerable stability to the Board and the Board has benefited greatly from the presence of Mr. Ha and Mr. To who have over time gained valuable insight into the Group.

LETTER FROM THE BOARD

The re-election of the above Directors has been reviewed by the nomination committee of the Company (the “**Nomination Committee**”) 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.

According to code provision B.1.6 of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules, the Company should state its reasons if it determines that a proposed Director is independent notwithstanding that the individual holds cross-directorships or has significant links with other directors through involvements in other companies or bodies. As disclosed in Appendix I of this circular, it is noted that Mr. Ha is currently the director of a certified public accountants corporate practice in Hong Kong and an independent non-executive director of Esprit Holdings Limited (stock code: 330). Mr. To currently has not held any other directorships in any other listed companies. Such link should not undermine the independence of Mr. Ha and Mr. To with respect to their directorship in the Company as Mr. Ha and Mr. To have complied and followed with the Company’s guidelines on declaration and conflicts clearances. Mr. Ha and Mr. To will act with integrity and exercise objectivity in the conduct of serving the Company.

As ordinary business at the AGM, resolutions will be proposed for the re-election of Mr. Wang Liang, Mr. Du Dong, Mr. Chen Hui, Mr. Ha and Mr. To 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 7 below in the paragraph headed “Recommendation”.

NOTICE OF AGM

Notice of the AGM is set out on pages 15 to 18 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.

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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, the re-election of the Directors and continuous appointment of independent non-executive Directors who have served for more than nine years 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. Wang Liang — Executive Director

Mr. Wang Liang (“**Mr. Wang**”), aged 38, has been appointed as an Executive Director and authorised representative of the Company since 1 September 2016 and 31 December 2021 respectively. He also has been appointed as the Chairman of the Board since 23 January 2017. He is the Chairman of the Nomination Committee and a member of the Executive Committee and the Remuneration Committee. He also serves as a Director of several subsidiaries of the Company. As Chairman, Mr. Wang is mainly responsible for leading the Board and managing its work to ensure that the Board effectively operates and fully discharges its responsibilities. In addition, he is also in charge of the business of provision of QR codes on product packaging, Chlamydomonas reinhardtii products business and related business intelligence IT solutions. Mr. Wang holds a bachelor’s degree in physics from Imperial College of Science, Technology and Medicine, University of London and a master’s degree in international finance from The University of Westminster. He has extensive experience in the international finance and project management. He had been working in international investment banks and responsible for clients’ project management, projects merger and acquisition and various initial public offerings. Mr. Wang was an executive director (from January 2014 to February 2016), a chairman (from August 2014 to February 2016), a non-executive director (from February 2016 to August 2016) and a vice-chairman (from February 2016 to August 2016) of King International Investment Limited (formerly known as Life Healthcare Group Limited) (stock code: 928). He was also an executive director of China Ever Grand Financial Leasing Group Co., Ltd. (formerly known as PME Group Limited) (stock code: 379) from December 2012 to December 2014. The shares of the above companies are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Mr. Wang entered into a service agreement with the Company on 1 September 2022 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 Bye-laws. Mr. Wang is entitled to receive a monthly salary of HK\$300,000 and a discretionary year-end bonus, 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 at the Latest Practicable Date, Mr. Wang is interested in 617,500,000 Shares. Qiao Yanfeng (“**Ms. Qiao**”, a substantial shareholder of the Company and Mr. Wang Liang’s mother) 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 767,500,000 Shares, representing approximately 27.35% of the issued shares of the Company. Save as disclosed, he does not have any interest in the Shares within the meaning of Part XV of the SFO. Save as disclosed, Mr. Wang does not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company.

Save as disclosed above, Mr. Wang (i) has not held any other positions with any members of the Group; (ii) is not related to any director, senior management, substantial shareholder or controlling shareholder of the Company or other members of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed companies in the last three years. Save as disclosed above, Mr. Wang has confirmed that there is no other information required to be brought to the attention of the Shareholders and the Company or to be disclosed pursuant to Rule 13.51(2) of the Listing Rules in relation to his re-election as a Director.

Mr. Du Dong — Executive Director

Mr. Du Dong (“**Mr. Du**”) aged 38, has been appointed as an Executive Director of the Company since 15 December 2016. He is a member of the Executive Committee, the Nomination Committee and the Remuneration Committee. He also serves as a Director of several subsidiaries of the Company. Mr. Du is responsible for the daily management of the Group, recommending strategies to the Board, and determining and implementing operational decision. He holds a bachelor’s degree of Science (Honors) in Computing Studies (Information Systems) from Hong Kong Baptist University. Mr. Du has extensive experience in investment, capital market, financing, merger and acquisitions of different projects with various investment banks and professional parties. He had been working in listed companies and responsible for investment, financing, projects merger and acquisition, covering coal mining, iron mining and gold mining, terminal and logistic services industry, education industry, financing lease industry and internet industry, etc. Mr. Du has a strong network in the capital market of Hong Kong and the PRC. He was a vice president of China Ever Grand Financial Leasing Group Co., Ltd (formerly known as PME Group Limited) (stock code: 379) from November 2013 to December 2016. He was an assistant to CEO of Theme International Holdings Limited (stock code: 990) from July 2010 to November 2013.

Mr. Du has entered into a service agreement with the Company on 15 December 2022 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. Du is entitled to receive a monthly salary of HK\$100,000 and a discretionary year-end bonus, which was determined with reference to the Group’s operating results, his duties and level of responsibility and the prevailing market conditions. His emoluments will be reviewed annually by the Remuneration Committee.

Save as disclosed above, Mr. Du (i) has not held any other positions with any members of the Group; (ii) is not related to any director, senior management, substantial shareholder or controlling shareholder of the Company or other members of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed companies in the last three years. Save as disclosed above, Mr. Du has confirmed that there is no other information required to be brought to the attention of the Shareholders and the Company or to be disclosed pursuant to Rule 13.51(2) of the Listing Rules in relation to his re-election as a Director.

Mr. Chen Hui — Non-executive Director

Mr. Chen Hui (“**Mr. Chen**”), aged 60, has been appointed as a Non-executive Director of the Company since 15 December 2016. He was also a member of the Nomination Committee before 31 December 2021. Mr. Chen has over 17 years solid experience in information technology. He is an expert in software and hardware engineering, automation and control, and possesses extensive knowledge in Internet of Thing and various sensors. He has been involved in development and application of nearly 40 patents. Mr. Chen appointed as a President of 上海透雲物聯網科技有限公司 (Shanghai TY Technology Co. Ltd.*), an indirect wholly-owned subsidiary of the Company from 2011 to June 2021. He was a general manager of 質尊溯源電子科技有限公司 from 2009 to 2011, a general manager of 上海質尊電子科技有限公司 from 2004 to 2009, and a legal representative of 上海華暉自控設備有限公司 from 2000 to 2004.

Mr. Chen has entered into a service agreement with the Company on 15 December 2022 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. Chen is entitled to receive a director’s fee of HK\$20,000 per month and a discretionary year-end bonus, which was determined with reference to the Group’s operating results, his duties and level of responsibility and the prevailing market conditions. His emoluments will be reviewed annually by the Remuneration Committee.

Save as disclosed above, Mr. Chen (i) has not held any other positions with any members of the Group; (ii) is not related to any director, senior management, substantial shareholder or controlling shareholder of the Company or other members of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed companies in the last three years. Save as disclosed above, Mr. Chen has confirmed that there is no other information required to be brought to the attention of the Shareholders and the Company or to be disclosed pursuant to Rule 13.51(2) of the Listing Rules in relation to his re-election as a Director.

Mr. Ha Kee Choy Eugene — independent non-executive Director

Mr. Ha, aged 67, has been appointed as an Independent Non-executive Director of the Company since 26 November 2014. He is also the Chairman of the Audit Committee, a member of the Nomination Committee and the Remuneration Committee. He holds a master’s degree in business administration and is a fellow member of the Association of Chartered Certified Accountants. He has over 30 years of experience in the finance and banking industry and acts or acted as director of a number of private and listed companies in Hong Kong. Mr. Ha is the director of a certified public accountants corporate practice in Hong Kong. He is currently an independent non-executive director of Esprit Holdings Limited (stock code: 330). He was an independent non-executive director of International Entertainment Corporation (stock code: 1009) from 15 May 2017 to 31 March 2022. The shares of these companies are listed on the Main Board of the Stock Exchange.

* For identification purpose only

Mr. Ha has entered into a service agreement with the Company on 26 November 2022 for a 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. Ha is entitled to receive a director's fee of HK\$20,667 per month and a discretionary year-end bonus, which was determined with reference to the Group's operating results, his duties and level of responsibility and the prevailing market conditions. His emoluments will be reviewed annually by the Remuneration Committee.

Save as disclosed above, Mr. Ha (i) has not held any other positions with any members of the Group; (ii) is not related to any director, senior management, substantial shareholder or controlling shareholder of the Company or other members of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed companies in the last three years.

Save as disclosed above, Mr. Ha has confirmed that there is no other information required to be brought to the attention of the Shareholders and the Company or to be disclosed pursuant to Rule 13.51(2) of the Listing Rules in relation to his re-election as a Director.

Mr. To Shing Chuen — independent non-executive Director

Mr. To, aged 73, has been appointed as an Independent Non-executive Director of the Company since 26 November 2014. He is also the Chairman of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee. Mr. To holds a bachelor's degree in arts and has over 20 years of experience in the fields of trading, garment and leather. He enjoys excellent relationship with PRC companies. He was an independent non-executive director of China Shandong Hi-Speed Financial Group Limited (formerly known as China Innovative Finance Group Limited) (stock code: 412) from 31 January 2002 to 14 May 2020.

Mr. To has entered into a service agreement with the Company on 26 November 2022 for a 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. To is entitled to receive a monthly salary of HK\$20,667 and a discretionary year-end bonus, which was determined with reference to the Group's operating results, his duties and level of responsibility and the prevailing market conditions. His emoluments will be reviewed annually by the Remuneration Committee.

Save as disclosed above, Mr. To (i) has not held any other positions with any members of the Group; (ii) is not related to any director, senior management, substantial shareholder or controlling shareholder of the Company or other members of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed companies in the last three years.

Save as disclosed above, Mr. To has confirmed that there is no other information required to be brought to the attention of the Shareholders and the Company or to be disclosed pursuant to Rule 13.51(2) of the Listing Rules in relation to his re-election as a Director.

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 2023, 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 617,500,000 Shares 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 767,500,000 Shares, representing approximately 27.35% 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 30.39% 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>
2023		
April	0.68	0.57
May	0.66	0.53
June	0.63	0.485
July	0.65	0.45
August	0.59	0.53
September	0.54	0.295
October	0.51	0.43
November	0.48	0.41
December	0.44	0.23
2024		
January	0.223	0.132
February	0.28	0.191
March	0.23	0.21
April (up to and including the Latest Practicable Date)	0.239	0.15

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, 7 June 2024 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 2023.
2. To re-elect Mr. Wang Liang as an executive Director of the Company.
3. To re-elect Mr. Du Dong as an executive Director of the Company.
4. To re-elect Mr. Chen Hui as a non-executive Director of the Company.
5. To re-elect Mr. Ha Kee Choy Eugene as an independent non-executive Director, who has served the Company for more than nine years.
6. To re-elect Mr. To Shing Chuen as an independent non-executive Director, who has served the Company for more than nine years.
7. To authorize the board of directors to fix the remuneration of the directors.
8. To re-appoint Moore CPA Limited as independent auditors and to authorise the board of directors to fix their remuneration.

NOTICE OF AGM

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

9. **“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 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.

NOTICE OF AGM

“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).”

10. **“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;
- (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.”

NOTICE OF AGM

11. “**THAT** subject to the availability of unissued shares and conditional upon the passing of Ordinary Resolutions 9 and 10 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 9 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 9 set out in the notice convening this meeting.”

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

Hong Kong, 30 April 2024

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.
- (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, 31 May 2024 to Friday, 7 June 2024, 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, 30 May 2024.
- (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.