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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult 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 **China Touyun Tech 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).

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of China Touyun Tech Group Limited.

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**China Touyun Tech Group Limited**

**中國透雲科技集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1332)**

**ISSUE OF HK\$210 MILLION  
8.0% CONVERTIBLE BONDS  
UNDER SPECIFIC MANDATE  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

Unless otherwise defined herein, capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A notice convening the SGM to be held on Thursday, 7 November 2019 at 10:00 a.m. at Lower Lobby, Plaza 3, Novotel Century Hong Kong, 238 Jaffe Road, Wan Chai, Hong Kong is set out on pages 13 to 14 of this circular. A form of proxy for use at the SGM is enclosed. Whether or not you intend to attend and vote at the SGM 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 Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, no later than 48 hours before the time of the SGM (i.e. on or before Tuesday, 5 November 2019), or any adjourned meeting. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so desire.

23 October 2019

**CONTENTS**

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	4
<b>Notice of SGM</b> .....	13

## DEFINITIONS

*In this circular, unless the context requires otherwise, terms used in this circular shall have the following meanings:*

“2017 CB”	7.0% secured convertible bonds of the Company in the initial aggregate principal amount of US\$40 million issued by the Company on 10 November 2017 and which is due in November 2019
“Agreement”	the subscription agreement dated 9 October 2019 entered into between the Company and the Subscriber in relation to the Subscription
“Board”	the board of Directors
“Business Day”	a day on which commercial banks and foreign exchange markets settle payments in Hong Kong, excluding any day in Hong Kong on which a typhoon signal number 8 or above or a “black” rainstorm warning is hoisted
“CB”	8.0% guaranteed convertible bonds of the Company in the aggregate principal amount of HK\$210 million to be constituted by the CB Instrument and to be issued by the Company to the Subscriber pursuant to the Agreement
“CB Holders”	holders of the CB
“CB Instrument”	the instrument by way of deed poll to be executed by the Company creating and constituting the CB (as amended, amended and restated, supplemented or otherwise modified from time to time)
“Company”	China Touyun Tech Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1332)
“Completion”	the completion of the Subscription
“Conversion Period”	the period beginning on, and including, the date falling on the Issue Date and ending on, and including, 5:00 p.m. on the date falling ten Business Days before the Maturity Date
“Conversion Price”	HK\$0.3 per Share (subject to any adjustments)
“Conversion Shares”	the Shares to be allotted and issued upon exercise of the conversion right attaching to the CB
“Designee”	a company held solely by the Subscriber

## DEFINITIONS

“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Date”	the date on which completion of the Agreement takes place and the CB is issued in accordance with the Agreement
“Latest Practicable Date”	18 October 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 November 2019 or such later date as may be agreed by the Subscriber and the Company
“Maturity Date”	the date falling on the second anniversary of the Issue Date
“Mr. Wang”	Mr. Wang Liang, the chairman of the Board, an executive Director and a substantial shareholder of the Company
“PRC”	the People’s Republic of China
“Redemption Amount”	an amount equal to the aggregate of (a) the aggregate principal amount of such outstanding CB held by the relevant CB Holder, and (b) any accrued but unpaid interest on such outstanding CB on the relevant redemption date
“SGM”	the special general meeting of the Company to be convened on Thursday, 7 November 2019 at 10:00 a.m. at Lower Lobby, Plaza 3, Novotel Century Hong Kong, 238 Jaffe Road, Wan Chai, Hong Kong for the purpose of considering and, if thought fit, approving the Agreement and the transactions contemplated hereunder including the grant of the Specific Mandate
“Share(s)”	the ordinary share(s) in the share capital of the Company which have a par value of HK\$0.04 each
“Shareholder(s)”	holder(s) of the Shares

## DEFINITIONS

“Specific Mandate”	the specific mandate to be sought from Shareholders at the SGM to approve the allotment and the issue of the Conversion Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Ms. Xing Shan, an individual investor
“Subscription”	subscription of the CB by the Subscriber
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent

LETTER FROM THE BOARD



透云科技  
Ty. Technology

**China Touyun Tech Group Limited**

**中國透雲科技集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1332)**

*Executive Directors:*

Mr. Wang Liang (*Chairman*)  
Mr. Du Dong  
Mr. Lo Yuen Wa Peter

*Non-executive Director:*

Mr. Chen Hui

*Independent Non-executive Directors:*

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

*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

23 October 2019

*To the Shareholders*

Dear Sir or Madam,

**ISSUE OF HK\$210 MILLION  
8.0% CONVERTIBLE BONDS  
UNDER SPECIFIC MANDATE  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 9 October 2019. The purpose of this circular is to provide you with further information regarding details of the Agreement and the transactions contemplated thereunder (including the issue of the CB and the Specific Mandate) and a notice convening the SGM.

**THE AGREEMENT**

On 9 October 2019, the Company, as issuer, and the Subscriber entered into the Agreement. The principal terms of the Agreement are set out below.

## LETTER FROM THE BOARD

### Subject matter

Pursuant to the Agreement, the Company has conditionally agreed to issue and the Subscriber has conditionally agreed to subscribe for the CB at the subscription price equal to 100% of the principal amount of the CB, being HK\$210 million.

### Completion and conditions precedent

Completion of the issue of the CB to the Subscriber or, subject to the Company's prior written approval, the Designee, will take place on the third Business Day after, and excluding, the date upon which the conditions precedent set out in the Agreement are waived by the Subscriber (where applicable) or are satisfied, or such other date as the Company and the Subscriber may agree in writing. Completion is conditional upon the satisfaction or waiver (except that condition precedent (i) and (ii) cannot be waived) of the following conditions:

- (i) the granting of the listing of and permission to deal in the Conversion Shares by the Listing Committee of the Stock Exchange;
- (ii) the passing of a resolution at the SGM by the Shareholders to approve the Agreement, the issue of the CB and the allotment and issue of the Conversion Shares under the Specific Mandate;
- (iii) from the date of the Agreement up to the date of Completion, there shall not have occurred any change (nor any development or event involving a prospective change) which has a material adverse effect (including a material adverse effect on the business, operations and financial conditions of the Group taken as a whole);
- (iv) the execution and delivery of the CB Instrument by the Company on or before the date of Completion;
- (v) on the date of Completion:
  - a. the Company's warranties, being true, accurate and correct in all material respects and not misleading in any material respect;
  - b. the Company having duly and punctually performed all of its obligations under the Agreement to be performed on or before the Completion Date; and
  - c. there having been delivered to the Subscriber a certificate substantially in the form set out in the Agreement, dated the date of Completion, signed by an authorized signatory of the Company;
- (vi) on or prior to the date of Completion, there shall have been delivered to the order of the Subscriber the completion documents set out in the Agreement; and
- (vii) the Agreement and the transactions contemplated hereunder being approved by the Board.

## LETTER FROM THE BOARD

If the conditions precedent as set out in the Agreement are not satisfied or waived (except that condition precedent (i) and (ii) cannot be waived) by the Long Stop Date, the Agreement will terminate.

As at the Latest Practicable Date, save for the condition precedent (vii), none of the conditions above has been satisfied.

### **THE CB**

The principal terms of the CB are set out below:

#### **Interest**

The CB will bear interest from and including the Issue Date at the rate of 8.0% per annum payable semi-annually.

#### **Form and denomination**

The CB will be issued in registered form and in denomination of HK\$21 million each.

#### **Maturity**

The CB will mature on the date falling on the second anniversary of the Issue Date.

#### **Conversion Price**

The initial Conversion Price is HK\$0.3 per Share, which was determined after arm's length negotiation between the Company and the Subscriber based on the prevailing market price of the Shares and represents:

- (i) a discount of approximately 7.69% to the closing price of HK\$0.325 per Share as quoted on the Stock Exchange on 9 October 2019, being the date of the Agreement;
- (ii) a discount of approximately 2.91% to HK\$0.309 per Share, being the average of the closing prices as quoted on the Stock Exchange for the five consecutive trading days up to and including 8 October 2019, being the trading day of the Shares immediately before the date of the Agreement; and
- (iii) a discount of approximately 4.76% to the closing price of HK\$0.315 per Share as quoted on the Stock Exchange on 18 October 2019, being the Latest Practicable Date.

The initial Conversion Price is subject to adjustments from time to time on the occurrence of certain events, including but not limited to, (a) alteration to the nominal value of the Shares as a result of consolidation, subdivision, re-denomination or re-classification of Shares, (b) capitalisation of profits or reserves by the Company, (c) distributions by the Company to its Shareholders, (d) rights issues of Shares or options over Shares at less than 85% of the then market price per Share to Shareholders, (e) rights issues of other securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) to



## LETTER FROM THE BOARD

Shareholders, (f) issues of Shares, options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares in each case at less than 85% of the then market price per Share, (g) other issues of any securities by the Company or its subsidiaries with rights to convert into or exchange or subscribe for Shares to be issued by the Company at less than 85% of the then market price per Share, and (h) modification of rights of conversion, exchange or subscription attaching to certain securities (other than in accordance with the terms of such securities) so that the consideration per Share for the number of Shares available on conversion, exchange or subscription following the modification is reduced and is less than 85% of the then current market price per Share; and (i) other offers pursuant to which the Shareholders generally are entitled to participate in such arrangements (other than those covered in (d), (e), (f) and (g)).

Distributions in paragraph (c) above refer to (i) any distribution of assets in specie by the Company for any financial period whenever paid or made, on a per Share basis, and however described (and for these purposes a distribution of assets in specie includes without limitation an issue of Shares or other securities credited as fully or partly paid (other than Shares credited as fully-paid) by way of capitalisation of reserves); and (ii) any cash dividend or distribution including, without limitation, the relevant cash amount of a scrip dividend of any kind by the Company for any financial period (whenever paid and however described) unless it comprises a purchase or redemption of Shares by or on behalf of the Company (or a purchase of Shares by or on behalf of a subsidiary of the Company) where the average purchase or redemption price (before expenses) on any one day in respect of such purchases or redemptions does not exceed 105 per cent. of the current market price of the Shares on that day.

If the Company pays or makes any distribution to the Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such distribution by the following fraction:

$$(A-B)/A$$

Where:

A = is the current market price of one Share on the date on which the distribution is publicly announced; and

B = is the fair market value on the date of such announcement of the portion of the distribution attributable to one Share.

Such adjustment shall become effective on the date that such distribution is actually made or if a record date is fixed therefor, immediately after such record date. In making any calculation above, such adjustments (if any) shall be made as an expert may consider appropriate to reflect (a) any consolidation or subdivision of the Shares, (b) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event, (c) the modification of any rights to dividends of Shares or (d) any change in the fiscal year of the Company.

### **Conversion**

The CB Holder has the right to convert the principal amount of the CB into fully-paid Shares at any time during the Conversion Period.

## LETTER FROM THE BOARD

### Conversion Shares

As at the Latest Practicable Date, the Company has 2,449,327,825 Shares in issue.

Assuming the conversion rights have been exercised in full, 700,000,000 Conversion Shares will be allotted and issued, representing approximately (i) 28.58% of the existing issued share capital of the Company as at the Latest Practicable Date and (ii) approximately 22.23% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming no other change in the issued share capital of the Company).

The Conversion Shares, when allotted and issued, will rank *pari passu* with all other Shares in issue on the date of conversion.

Based on the estimated net proceeds from the Subscription of approximately HK\$209 million and up to 700,000,000 Conversion Shares at the initial Conversion Price of HK\$0.3 per Conversion Share, the net price per Conversion Share is estimated to be approximately HK\$0.299.

### Status of the CB

The CB will constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and will at all times rank *pari passu* and without any preference or priority among themselves.

The payment obligations of the Company under the CB shall, save for such exceptions as may be provided by mandatory provisions of applicable legislation, at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

### Redemption

#### (1) *Redemption at maturity*

Unless previously redeemed, converted or purchased and cancelled, the Company shall, redeem all the outstanding CB on the Maturity Date at an amount equal to the Redemption Amount.

#### (2) *Redemption at the option of the Company*

Unless previously redeemed, converted or purchased and cancelled, on giving not less than 30 nor more than 90 days' notice after the 180th calendar day after the Issue Date, to the CB Holder, the Company may redeem in whole, or in part, such CB for the time being outstanding at the Redemption Amount on the date of giving such notice.

#### (3) *Redemption at the option of the CB Holder*

Unless previously redeemed, converted or purchased and cancelled, any CB Holder shall be entitled, by serving written notice, to require the Company to redeem in whole, or in part, such CB for the time being outstanding at the Redemption Amount within 3 months from the date of such notice after the first anniversary of the Issue Date.

## LETTER FROM THE BOARD

### **Transferability**

The CB are freely transferable subject to the terms and conditions of the CB.

### **Guarantee**

Mr. Wang will guarantee the payment of all sums payable by the Company under the CB.

### **Undertakings by Mr. Wang**

As at the Latest Practicable Date, Mr. Wang is the beneficial owner of 560,000,000 Shares (the “**Relevant Shares**”), representing approximately 22.86% of the issued share capital of the Company. Upon Completion, Mr. Wang will undertake that, until the earlier of: (i) repayment of all amounts due and payable under the CB in full, (ii) full conversion of all the CB then outstanding, and (iii) approval by the CB Holders, he:

- (i) shall and shall procure that the Relevant Shares to be free and clear of all encumbrances;
- (ii) shall not, and shall procure not, to sell, dispose, transfer or assign the Relevant Shares to any third parties; and
- (iii) shall remain as the single largest shareholder of the Company.

It is an event of default under the CB if Mr. Wang breaches the above undertakings.

### **Restrictions on conversion**

#### *(1) Public float*

Conversion is only allowed if the issue of the Shares in satisfaction of the conversion right in respect of a CB would not result in the Company failing to meet its obligation under the Listing Rules to maintain the minimum prescribed percentage of the Shares that must at all times remain in public hands (as defined in the Listing Rules) or such other lower percentage permitted by the Stock Exchange at its discretion.

The Company will take appropriate steps to ensure that the public float requirements under the Listing Rules are complied with at all times.

#### *(2) Restriction on takeovers*

Conversion is only allowed to the extent that the issue of the Shares in satisfaction of the conversion right in respect of a CB would not result in (i) any person holding 30% or more of the total voting power of the voting stock of the Company or (ii) any person or persons being under the obligations to make offer(s) for the securities of the Company under the Takeovers Code.

## **LETTER FROM THE BOARD**

### **Listing**

No application will be made for the listing of, and permission to deal in, the CB on the Stock Exchange or any other stock exchange.

Application has been made to the listing committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

### **INFORMATION ON THE SUBSCRIBER**

The Subscriber is an individual investor who is experienced in investments and the finance industry.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber is independent of the Company and the connected persons (as defined in the Listing Rules) of the Company.

### **REASONS FOR THE ISSUE OF CB AND THE USE OF PROCEEDS**

The principal activities of the Group are (i) provision of QR codes on product packaging and solutions and advertising display services; (ii) manufacture and sale of packaging products; (iii) investment and trading in securities and money lending.

The gross proceeds of the issue of the CB will be HK\$210 million. The net proceeds of the Subscription, after deducting commission and other related expenses payable by the Company, is estimated to be approximately HK\$209 million. The Company will use the entire amount of the proceeds for the redemption of the 2017 CB. As at the Latest Practicable Date, the outstanding principal amount of 2017 CB is US\$27 million (equivalent to approximately HK\$210.6 million).

The Board has considered various fund raising methods including bank borrowings, placement of Shares to independent third parties, rights issue, open offer and the Subscription. In respect of bank borrowings, the Company was given to understand that banks generally request security to be given and bank borrowings may be subject to lengthy due diligence and internal risk assessment by and negotiations with banks. As regards equity fund raising exercises (such as placement of Shares to independent third parties, rights issue and/or open offer), the Company understands that a placing/underwriting commission is usually required and a significant discount on the placing/subscription price is also usually required so as to increase the attractiveness of the equity fund raising exercise. In addition, any placing would only be conducted on best-effort basis and it is also uncertain whether a rights issue or an open offer is able to raise sufficient funds for the Group in the current volatile market. Given the current uncertain market conditions, the Directors are of the opinion that the issue of the CB would be more efficient, feasible and appropriate fund-raising method for the Group.

The terms of the Agreement and the CB (including the Conversion Price) were determined based on arm's length negotiations between the Company and the Subscriber with reference to the prevailing market price of the Shares as quoted on the Stock Exchange. Notwithstanding the potential dilution effect which may arise from the conversion of the CB, having considered

## LETTER FROM THE BOARD

that no security is required in connection with the issue of the CB and that the Subscription allows the Company to raise a considerable amount of fund for the redemption of the 2017 CB, the Directors consider that the terms of the Agreement and the transactions contemplated thereunder (including the Conversion Price) are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### SHAREHOLDING STRUCTURE

For illustration purposes only, the following table sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after full conversion of the CB (assuming no other change in the issued share capital of the Company).

	<b>As at the Latest Practicable Date</b>		<b>Immediately after full conversion of the CB at the initial Conversion Price</b>	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
	Mr. Wang	560,000,000	22.86	560,000,000
Mr. Qin Fen	197,470,000	8.06	197,470,000	6.27
Ms. Qiao Yanfeng ( <i>Note</i> )	150,000,000	6.12	150,000,000	4.76
CB Holder	—	—	700,000,000	22.23
Other public Shareholders	<u>1,541,857,825</u>	<u>62.96</u>	<u>1,541,857,825</u>	<u>48.96</u>
<b>Total:</b>	<u><u>2,449,327,825</u></u>	<u><u>100.00</u></u>	<u><u>3,149,327,825</u></u>	<u><u>100.00</u></u>

*Note:* Ms. Qiao Yanfeng is Mr. Wang's mother and is deemed to be interested in 150,000,000 Shares through her wholly-owned companies.

### EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not carried out any other equity raising activities during the 12 months immediately preceding the Latest Practicable Date.

### SPECIFIC MANDATE

The Conversion Shares will be allotted and issued under the Specific Mandate.

### SGM

A notice convening the SGM is enclosed in this circular. At the SGM, a resolution will be proposed for the Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder (including the issue of the CB and the Specific Mandate). All votes at the SGM will be taken way of poll. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolutions to be proposed at the SGM.

## LETTER FROM THE BOARD

### RECOMMENDATION

The Directors consider that the Agreement and the transactions contemplated thereunder (including the issue of the CB and the Specific Mandate) are in the interest of the Company and the Shareholders as a whole and recommend all Shareholders to vote in favour of the resolution approving the Agreement and the transactions contemplated thereunder (including the issue of the CB and the Specific Mandate) at the SGM.

### 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.

Yours faithfully,  
By order of the Board  
**China Touyun Tech Group Limited**  
**Wang Liang**  
*Chairman*



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**China Touyun Tech Group Limited**

**中國透雲科技集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1332)**

**NOTICE OF SPECIAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** a special general meeting of China Touyun Tech Group Limited (the “**Company**”) will be held on Thursday, 7 November 2019 at 10:00 a.m. at Lower Lobby, Plaza 3, Novotel Century Hong Kong, 238 Jaffe Road, Wan Chai, Hong Kong for the purpose of considering and, if thought fit, passing with or without modification, the following resolution as an ordinary resolution of the Company (unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 23 October 2019):

**ORDINARY RESOLUTION**

1. “**THAT**

- (a) the terms of the Agreement (as defined in the circular of the Company dated 23 October 2019 (the “**Circular**”)) and the creation and issue of the CB (as defined in the Circular) on and subject to the terms of the Agreement be and are hereby approved;
- (b) subject to and conditional upon the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited of the listing of and permission to deal in the Conversion Shares (as defined in the Circular), the allotment and issue of new shares upon the exercise of the conversion rights attached to the CB in the share capital of the Company at the conversion price of HK\$0.30 (subject to adjustment in accordance with the terms and conditions of the CB) per share of the Company be and is hereby approved, and the directors of the Company (“**Directors**”) be and are hereby authorised to allot and issue the Conversion Shares pursuant to and in accordance with the terms and conditions of the CB; and

## NOTICE OF SGM

- (c) any one Director be and is/are hereby authorised for and on behalf of the Company to approve and execute all documents, instruments and agreements and to do all such acts or things deemed by him/her/them to be incidental to, ancillary to the matters contemplated in or relating to the issue of the CB, the allotment and issue of the Conversion Shares and the transactions contemplated under the Agreement and completion thereof as he/she/they may consider necessary, desirable or expedient.”

By Order of the Board  
**China Touyun Tech Group Limited**  
**Wang Liang**  
*Chairman*

Hong Kong, 23 October 2019

*Notes:*

1. A member who is entitled to attend and vote at the SGM is entitled to appoint one or more proxies or a duly authorised corporate representative to attend and vote instead of him. A proxy need not be a member of the Company.
2. A form of proxy for use at the SGM 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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude a member from attending the SGM and voting in person. In such event, this form of proxy will be deemed to have been revoked.
3. Where there is joint holding of any share(s), any joint holder may vote at the SGM or any adjournment thereof, either personally or by proxy, in respect of such share(s) as if he were solely entitled thereto; but if more than one of such joint holders be present at the SGM personally or by proxy, that one of the joint holders so present whose name stands first on the register of members of the Company in respect of such share (s) will alone be entitled to vote in respect thereof.

*As at the date of this notice, the board of Directors comprises three executive Directors, namely Mr. Wang Liang (Chairman), Mr. Du Dong and Mr. Lo Yuen Wa Peter; one non-executive Director, namely Mr. Chen Hui; and three independent non-executive Directors, namely Mr. Cheung Wing Ping, Mr. Ha Kee Choy Eugene and Mr. To Shing Chuen.*