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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).

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**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)**

**PROPOSALS FOR**

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

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A notice convening the annual general meeting of China Touyun Tech Group Limited to be held on Friday, 5 June 2020 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 17 to 20 of this circular. A form of proxy for use at the annual general meeting is enclosed and can also be downloaded from the Company's website at ([www.chinatouyun.com.hk](http://www.chinatouyun.com.hk)) and the HKExnews website at ([www.hkexnews.hk](http://www.hkexnews.hk)). Whether or not you intend 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 China Touyun Tech Group Limited in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 48 hours before the time of the Meeting (i.e. at or before 10:00 a.m. on Wednesday, 3 June 2020 (Hong Kong time)), or any adjourned meeting. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so desire.

29 April 2020

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## **PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

In view of the ongoing COVID-19 epidemic and the heightened requirements for prevention and control of its spread, the Company will implement the following precautionary measures at the Annual General Meeting to protect attending shareholders, staff and other stakeholders from the risk of infection:

1. Compulsory body temperature screening or checks will be carried out on every shareholder, proxy and other attendee at the entrance of the Annual General Meeting venue. Any person with a body temperature of over 37.4 degrees Celsius or is exhibiting flu-like symptoms may be denied entry into the Annual General Meeting venue and be requested to leave the Annual General Meeting venue.
2. Every attendee will be required to wear a surgical face mask throughout the Annual General Meeting and sit at a distance from other attendees. Please note that no surgical face masks will be provided at the Annual General Meeting venue and attendees should bring and wear their own masks.
3. No refreshments or drinks will be served to attendees during the Annual General Meeting.

To the extent permitted under law, the Company reserves the right to deny entry into the Annual General Meeting venue or require any person to leave the Annual General Meeting venue in order to ensure the safety of the attendees at the Annual General Meeting.

In the interest of all stakeholders' health and safety and consistent with the COVID-19 guidelines for prevention and control, the Company reminds the Shareholders that they may appoint the Chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting instead of attending the Annual General Meeting in person.

## 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, 5 June 2020 at 10:00 a.m.
“AGM Notice”	the notice convening the AGM set out on pages 17 to 20 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
“Company”	China Touyun Tech Group Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Eligible Participants”	(i) any director, officer, employee, consultant, professional, customer, supplier (whether of goods or services), agent, partner or adviser of or contractor to any member of the Group or the Related Group or a company in which the Group holds an interest or a subsidiary of such company (“ <b>Affiliate</b> ”); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any director, officer, employee, consultant, professional, customer, supplier (whether of goods or services), agent, partner or adviser of or contractor to any member of the Group or the Related Group or an Affiliate; or (iii) a company beneficially owned by any director, officer, employee, consultant, professional, customer, supplier (whether of goods or services), agent, partner or adviser of or contractor to any member of the Group or the Related Group or an Affiliate
“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

## DEFINITIONS

“Latest Practicable Date”	23 April, 2020, 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
“Option Shares”	the new Share(s) to be issued pursuant to the exercise of share options to be granted under the refreshed Scheme Mandate Limit
“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
“Scheme Mandate Limit”	the maximum number of Shares that may be issued upon exercise of all the options which may be granted under the Share Option Scheme
“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)
“Share Option Scheme”	the share option scheme adopted by the Company pursuant to an ordinary resolution of the Company passed on 18 May 2012 and valid and effective for a period of ten years

## DEFINITIONS

“Share Option”	options to subscribe for Shares granted under the Share Option Scheme
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	percent

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 Directors:*

Mr. Chen Hui

Ms. Tian Yuze

*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

29 April 2020

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR**

- (1) GENERAL MANDATE TO ISSUE SHARES;**
- (2) REPURCHASE MANDATE TO REPURCHASE SHARES;**
- (3) REFRESHMENT OF SCHEME MANDATE LIMIT;**
- (4) RE-ELECTION OF DIRECTORS; AND**
- (5) 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

## LETTER FROM THE BOARD

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; (iv) the refreshment of Scheme Mandate Limit of the Share Option Scheme; and (v) 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 5 June 2019, 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 2,719,598,095 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 543,919,619 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 2,719,598,095 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 271,959,809 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
- (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.



## LETTER FROM THE BOARD

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.

### **REFRESHMENT OF THE SCHEME MANDATE LIMIT OF THE SHARE OPTION SCHEME**

The Share Option Scheme was adopted by the Company pursuant to a resolution of the Shareholders on 18 May 2012, and is established to recognise and acknowledge the contributions that Eligible Participants have made or may make to the Group. The purpose of the Share Option Scheme is to provide Eligible Participants with the opportunity to acquire proprietary interests in the Company and to encourage Eligible Participants to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the Shareholders as a whole. The Directors considers that the Share Option Scheme will provide the Eligible Participants with the opportunity to participate in the growth of the Group. The eligibility of those parties other than employees and directors of the Group (see definition of “Eligible Participants” on page 2) will be determined by the Board according to their potential and/or actual contribution to the business affairs and benefits of the Group. All such parties are expected to have business dealings with the Group whose contributions are, will or expected to be beneficial to the Group. In accordance with the term of the Share Option Scheme, in order for a person to satisfy the Board that he/she/it is qualified to be (or, where applicable, continues to qualify to be) an Eligible Participant, such person shall provide all such information as the Board may request for the purpose of assessing his/her/its eligibility (or continuing eligibility).

The Board proposed to seek approval of the Shareholders to refresh the 10% Scheme Mandate Limit of the Share Option Scheme. Pursuant to Rule 17.03(3) of the Listing Rules, the Company may seek approval by its Shareholders in general meeting for “refreshing” the 10% limit under the Share Option Scheme. However, the total number of Shares which may be issued upon exercise of all options to be granted under all of the schemes of the Company (or its subsidiaries) under the limit as “refreshed” must not exceed 10% of the Shares in issue as at the date of approving refreshment of the limit. Options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”. The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes must not exceed 30% of the shares of the Company (or its subsidiaries) in issue from time to time. No options may be granted under any schemes of the Company (or its subsidiaries) if this will result in the limit being exceeded.

The current Scheme Mandate Limit is 244,932,782 Shares, representing 10% of the total number of Shares in issue as at the date of the annual general meeting of the Company held on 5 June 2019 when the Scheme Mandate Limit was last refreshed. No Share Option has been granted since the Scheme Mandate Limit was last refreshed at the annual general meeting of the Company held on 5 June 2019. Based on 2,719,598,095 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are repurchased and issued and no share

## LETTER FROM THE BOARD

options are being granted prior to the AGM, upon the approval of the refreshment of the Scheme Mandate Limit, the Directors will be authorised to grant options entitling the holders of the options to subscribe for a total of 271,959,809 Shares, representing 10% of the total number of Shares in issue as at the Latest Practicable Date. No outstanding share options of the Company will lapse as a result of the refreshment of the Scheme Mandate Limit. As at Latest Practicable Date, Share Option carrying rights to subscribe for 180,362,500 Shares have been granted (representing 29,925,000\*, 24,437,500\* and 126,000,000\* Shares granted on 25 January 2017, 12 December 2017 and 21 February 2019 respectively), of which options to subscribe for 89,172,500 Shares have been lapsed, leaving outstanding options to subscribe for a total of 91,190,000 Shares, representing approximately 3.35% of the issued shares of the Company. Assuming that the refreshment of Scheme Mandate Limit is approved, the maximum number of Shares which may be allotted and issued under the Share Option Scheme (including (i) the 271,959,809 additional Shares fall to be issued upon exercise of options to be granted under the Share Option Scheme with the refreshed Scheme Mandate Limit and (ii) the 91,190,000 Shares that may be allotted and issued upon exercise in full of the subscription rights attaching to the outstanding Share Options granted under the Share Option Scheme) represents approximately 13.35% of the issued share capital of the Company as at the Latest Practicable Date and accordingly, does not exceed the 30% of the Shares in issue as at the Latest Practicable Date. Save for the Share Option Scheme, the Company had no other share option schemes as at the Latest Practicable Date.

In order to provide the Company with greater flexibility in granting share options to eligible persons (including employees and Directors) of the Company under the Share Option Scheme as incentives or rewards for their contribution to the Group, the Board decided to seek the approval from the Shareholders at the AGM to refresh the Scheme Mandate Limit. The Directors consider that refreshment of the Scheme Mandate Limit is in the interest of the Company and the Shareholders as a whole.

The refreshment of the Scheme Mandate Limit is conditional upon:

- (i) the passing of an ordinary resolution at the AGM to approve the refreshment of the Scheme Mandate Limit by the Shareholders; and
- (ii) the Listing Committee of the Stock Exchange granting an approval for the listing of, and permission to deal in, the Option Shares.

An application will be made to the Listing Committee of the Stock Exchange for the approval mentioned in paragraph (ii) above.

### **RE-ELECTION OF RETIRING DIRECTORS**

In accordance with Bye-law 83 and 84 of the Company, Ms. Tian Yuze, being Non-Executive Director newly appointed on 7 April 2020, will hold office until the AGM, and being eligible to offer herself for re-election at the AGM; and Mr. Cheung Wing Ping, Mr. Ha Kee Choy Eugene and Mr. To Shing Chuen shall retire from office as Independent Non-executive Director by rotation, being eligible, will offer themselves for re-election at the AGM. All the other Directors will continue to be in office.

\* After adjustment of share consolidation effective on 12 August 2019

## **LETTER FROM THE BOARD**

As ordinary business at the AGM, resolutions will be proposed for the re-election of Ms. Tian Yuze, Mr. Cheung Wing Ping, Mr. Ha Kee Choy Eugene, and Mr. To Shing Chuen 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 10 below in the paragraph headed “Recommendation”.

### **NOTICE OF AGM**

Notice of the AGM is set out on pages 17 to 20 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 Level 54, Hopewell Centre, 183 Queen’s Road East, 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.

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; (iv) the refreshment of Scheme Mandate Limit of the Share Option Scheme; and (v) 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.

## LETTER FROM THE BOARD

### 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 refreshment of Scheme Mandate Limit of the Share Option Scheme 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  
**China Touyun Tech Group Limited**  
**Wang Liang**  
*Chairman*

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

**Ms. Tian Yuze — Non-Executive Director**

**Ms. Tian Yuze (“Ms. Tian”)**, aged 28, has been appointed as an Non-Executive Director of the Company since 7 April 2020. Ms. Tian holds a bachelor’s degree in Economics (International Economics and Trade) from Beijing Institute of Petrochemical Technology, and a master degree of science from Nottingham Trent University. She has been working as business manager in various entities, responsible for operation strategic planning, global marketing strategies and execution. She has extensive experience and exposure in international trade, sales and supply and business management in both PRC and overseas markets.

Ms. Tian has not previously held any position with the Company or any of its subsidiaries. She has not been a director in any other listed companies in the last three years. Ms. Tian is holding 135,135,135 shares of the Company (approximately 4.97% of the issued shares of the Company) as at Latest Practicable Date. Save as disclosed above, Ms. Tian is not connected with any directors, senior management, substantial shareholders or controlling shareholders of the Company and does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Ms. Tian 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. She is subject to retirement by rotation and re-election pursuant to the Company’s Bye-laws. Ms. Tian is entitled to receive a monthly salary of HK\$10,000 and a discretionary year-end bonus or her pro rata amount for any incomplete month or year, which was determined with reference to the Group’s operation results, her duties and level of responsibilities and the prevailing marketing conditions. Her emoluments will be reviewed annually by the Remuneration Committee.

Save as disclosed above, Ms. Tian 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 her re-election as a Director.

**Mr. Ha Kee Choy Eugene — Independent Non-executive Director**

**Mr. HA Kee Choy Eugene (“Mr. Ha”)**, aged 63, 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. Mr. Ha holds a master’s degree in business administration and is a fellow member of the Association of Chartered Certified Accountants. He has over 20 years of experience in the finance and banking industry and acts or/and acted as director of a number of private and listed companies in Hong Kong. He is the director of a certified public accountants corporate practice in Hong Kong. Mr. Ha was a director of 401 Holdings Limited from March 2001 to July 2004 before it was subsequently wound up on 13 June 2005 and its shares were delisted from the Stock Exchange with effect from 21 June 2005. He is currently an Independent Non-executive Director of Longhui International Holdings Limited (stock code: 1007) and International

Entertainment Corporation (stock code: 1009) and Planetree International Development Limited (stock code: 613). The shares of these companies are listed on the Main Board of the Stock Exchange.

Mr. Ha has entered into a service agreement with the Company on 26 November 2018 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 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. Mr. Ha is interested in 250,000 share options (representing 0.01% of the issued Shares of the Company) granted by the Company on 12 December 2017, which was vested on 10 June 2019.

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. Cheung Wing Ping — Independent Non-executive Director**

**Mr. CHEUNG Wing Ping (“Mr. Cheung”)**, aged 52, has been appointed as an Independent Non-executive Director of the Company since 11 August 2015. He is also a member of the Audit Committee, the Nomination Committee and the Remuneration Committee. He holds a bachelor's degree in accountancy with honours from City University of Hong Kong. He is a fellow of the Association of Chartered Certified Accountants and an associate of the Hong Kong Institute of Certified Public Accountants. Mr. Cheung has over 20 years of experience in auditing and accounting fields. He was formerly an Executive Director of Eagle Ride Investment Holdings Limited (formerly known as Radford Capital Investment Limited) (stock code: 901) from June 2011 to November 2013, an Independent Non-executive Director and an Executive Director of Mason Financial Holdings Limited (formerly known as Willie International Holdings Limited) (stock code: 273) from October 2009 to June 2013 and re-designated as an Executive Director of Mason from July 2013 to September 2016 respectively, and an Independent Non-executive Director of Freeman Fintech Corporation Limited (stock code: 279) from August 2013 to September 2019. He is currently an Independent Non-Executive Director of Enerchina Holdings Limited (stock code: 622) and China Shandong Hi-Speed Financial Group Limited (formerly known as China Innovative Finance Group Limited) (stock code: 412). The shares of these companies are listed on the Stock Exchange.

Mr. Cheung has entered into a service agreement with the Company on 11 August 2019 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. Cheung 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. Mr. Cheung is interested in 250,000 share options (representing 0.01% of the issued Shares of the Company) granted by the Company on 12 December 2017, which was vested on 10 June 2019.

Save as disclosed above, Mr. Cheung (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. Cheung 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 Shing Chuen (“Mr. To”)**, aged 69, 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 trading, garment and leather field. He enjoys excellent relationship with Mainland China companies. He is currently an Independent Non-executive Director of China Shandong Hi-Speed Financial Group Limited (formerly known as China Innovative Finance Group Limited) (stock code: 412).

Mr. To has entered into a service agreement with the Company on 26 November 2018 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. Mr. To is interested in 250,000 share options (representing 0.01% of the issued Shares of the Company) granted by the Company on 12 December 2017, which was vested on 10 June 2019.

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) 2,719,598,095 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 271,959,809 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 2019, 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 561,500,000 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 711,500,000 Shares, representing approximately 26.11% 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 29.07% of the issued Shares of the Company. The Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any purchases made under the Share Repurchase Mandate. The Directors will use their best endeavours to ensure that the Share Repurchase Mandate will not be exercised to the extent that the number of Shares held by the public would be reduced to less than 25% of the issued Shares of Company. The Directors have no intention to exercise the Share Repurchase Mandate which may result in possible mandatory offer being made under the Takeovers Code.

#### 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:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2019</b>		
April	0.672	0.544
May	0.528	0.304
June	0.304	0.228
July	0.316	0.280
August	0.316	0.206
September	0.305	0.250
October	0.325	0.295
November	0.290	0.230
December	0.225	0.202
<b>2020</b>		
January	0.225	0.198
February	0.540	0.204
March	0.500	0.420
April (up to and including the Latest Practicable Date)	0.440	0.320

## NOTICE OF ANNUAL GENERAL MEETING



透云科技  
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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 IS HEREBY GIVEN THAT** the Annual General Meeting of China Touyun Tech Group Limited (the “**Company**”) will be held at Lower Lobby, Plaza 3 Novotel Century Hong Kong, 238 Jaffe Road, Wan Chai, Hong Kong on Friday, 5 June 2020 at 10:00 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 2019.
2. To re-elect Ms. Tian Yuze as Non-Executive Director of the Company.
3. To re-elect Mr. Ha Kee Choy Eugene as Independent Non-executive Director of the Company.
4. To re-elect Mr. Cheung Wing Ping as Independent Non-executive Director of the Company.
5. To re-elect Mr. To Shing Chuen as Independent Non-executive Director of the Company.
6. To authorize the board of directors to fix the remuneration of the directors.
7. 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:

8. **“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

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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).”

9. **“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

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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.”

10. “**THAT** subject to the availability of unissued shares and conditional upon the passing of Ordinary Resolutions 8 and 9 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 8 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 8 set out in the notice convening this meeting.”
11. “**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the shares in the share capital of the Company to be issued pursuant to the exercise of share options under the share option scheme adopted by the Company on 18 May 2012 (the “**Share Option Scheme**”), the existing scheme mandate limit in respect of the granting of options to subscribe for shares of the Company under the Share Option Scheme be refreshed and renewed provided that the total number of shares which may be allotted and issued pursuant to the grant or exercise of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) shall not exceed 10 per cent. of the shares of the Company in issue as at the date of passing this resolution (the “**Refreshed Limit**”) and that the Directors of the Company be and are hereby authorised, subject to compliance with the Rules Governing the Listing of Securities on the Stock Exchange, to grant options under the Share Option Scheme up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”

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

Hong Kong, 29 April 2020

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*Notes:*

- (a) A member who is entitled to attend and vote at the Annual General Meeting 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.
- (b) A form of proxy for use at the Annual General Meeting 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 not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a member from attending the Annual General Meeting 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 Monday, 1 June 2020 to Friday, 5 June 2020, both days inclusive, for determining the eligibility of shareholders for attending and voting at the Annual General Meeting. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates should be lodged for registration with Tricor Secretaries Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by 4:30 p.m. on Friday, 29 May 2020.
- (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.