
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 a 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 Anxian Yuan China Holdings Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser, the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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ANXIAN YUAN CHINA HOLDINGS LIMITED

安賢園中國控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 0922)

**(1) PROPOSED CAPITAL REORGANISATION;
(2) PROPOSED CHANGE IN BOARD LOT SIZE;
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the special general meeting of the Company to be held at 2/F., 35-45B Bonham Strand, Sheung Wan, Hong Kong on Tuesday, 28 August 2018 at 10:30 a.m. is set out on pages SGM-1 to SGM-3 of this circular.

Whether or not you intend to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event by 10:30 a.m. on Sunday, 26 August 2018 or not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. 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. In such event, the instrument appointing a proxy will be deemed to be revoked.

27 July 2018

* For identification purposes only

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DEFINITIONS

In this circular, unless the context otherwise require, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Business Day(s)”	a day (other than public holiday, a Saturday or Sunday and any day on which a tropical cyclone warning no.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which banks in Hong Kong are generally open for business
“Capital Reduction”	the cancellation of any fraction in the issued share capital of the Company arising as a result of the Share Consolidation (if applicable) and the proposed reduction of the nominal value of each of the then issued Consolidated Shares from HK\$1.00 to HK\$0.10 by cancelling the paid-up capital to the extent of HK\$0.90 on each of the then issued Consolidated Shares
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving the Share Consolidation, the Capital Reduction and the Share Sub-division
“CCASS”	the Central Clearing and Settlement System operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Company’s securities for trading on the Stock Exchange from 20,000 Existing Shares to 10,000 New Shares
“Company”	Anxian Yuan China Holdings Limited (安賢園中國控股有限公司*), a company incorporated in Bermuda with limited liability and the issued Shares are listed on the main board of the Stock Exchange (stock code: 0922)
“Companies Act”	the Companies Act 1981 of Bermuda

DEFINITIONS

“Consolidated Share(s)”	ordinary share(s) of nominal value of HK\$1.00 each in the share capital of the Company immediately after the Share Consolidation but before the Capital Reduction and the Share Sub-division becoming effective
“Director(s)”	the director(s) of the Company
“Existing Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
“Group”	the Company and its subsidiaries, from time to time
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	23 July 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	the ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“New Share Option Scheme”	the share option scheme of the Company to be adopted on annual general meeting of the Company on 28 August 2018
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong

DEFINITIONS

“SGM”	the special general meeting of the Company to be held at Tuesday, 28 August 2018 at 10:30 a.m. for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation, the notice of which is set out on pages SGM-1 to SGM-3 of this circular
“Share(s)”	the Existing Share(s), the Consolidated Share(s) and/or the New Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every 10 issued and unissued Existing Shares of nominal value of HK\$0.10 each in the share capital of the Company into 1 Consolidated Share of nominal value of HK\$1.00
“Share Sub-division”	the proposed sub-division of each of the authorised but unissued Consolidated Shares of nominal value of HK\$1.00 into 10 New Shares of nominal value of HK\$0.10 each
“Shareholder(s)”	the holder(s) of the Existing Shares, the Consolidated Shares or the New Shares, as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

* *For identification purposes only*

EXPECTED TIMETABLE

The expected timetable for implementation of the Capital Reorganisation is as follows:

EVENT

Event	Time and date
Latest time and date for lodging transfer document in order to qualify for attending and voting at the SGM	4:30 p.m. on Wednesday, 22 August 2018
Book closure period to determine entitlements to attend the SGM (both days inclusive)	Thursday, 23 August 2018 to Tuesday, 28 August 2018
Latest time and date for lodging forms of proxy for the SGM	10:30 a.m. on Sunday, 26 August 2018
Time and date of the SGM	10:30 a.m. on Tuesday, 28 August 2018
Publication of announcement of poll results of the SGM	Tuesday, 28 August 2018
The following events are conditional on the fulfilment of the conditions for the implementation of the Capital Reorganisation:	
Expected effective date of the Capital Reorganisation	Wednesday, 29 August 2018
First day for free exchange of existing share certificates for share certificates of the New Shares	Wednesday, 29 August 2018
Commencement of dealings in the New Shares	9:00 a.m. on Wednesday, 29 August 2018
Original counter for trading in the Existing Shares in board lots of 20,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Wednesday, 29 August 2018
Temporary counter for trading in the New Shares in board lots of 2,000 New Shares (in the form of existing share certificates) opens	9:00 a.m. on Wednesday, 29 August 2018

EXPECTED TIMETABLE

Original counter for trading in the New Shares
in board lots of 10,000 New Shares
(in the form of new share certificates) re-opens 9:00 a.m. on
Wednesday, 12 September 2018

Parallel trading in the New Shares
(in the form of new share certificates
in the form of board lots of 10,000 New Shares and
existing share certificates in board lots of
2,000 New Shares) commences 9:00 a.m. on
Wednesday, 12 September 2018

Designated broker starts to stand
in the market to provide matching services
for odd lots of the New Shares 9:00 a.m. on
Wednesday, 12 September 2018

Temporary counter for trading in the New Shares
in board lots of 2,000 New Shares
(in the form of existing share certificates) closes 4:00 p.m. on
Thursday, 4 October 2018

Parallel trading in the New Shares
(in the form of new share certificates
in the form of board lots of 10,000 New Shares and
existing share certificates in board lots of
2,000 New Shares) ends 4:00 p.m. on
Thursday, 4 October 2018

Designated broker ceases to provide matching services
for odd lots of the New Shares 4:00 p.m. on
Thursday, 4 October 2018

Last day for free exchange of existing share certificates
for the share certificates of the New Shares 4:30 p.m. on
Monday, 8 October 2018

All times and dates in this circular refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

LETTER FROM THE BOARD



ANXIAN YUAN CHINA HOLDINGS LIMITED
安賢園中國控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 0922)

Executive Directors:

Mr. Shi Hua
Mr. Shi Jun
Mr. Law Fei Shing

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Director:

Mr. Wang Hongjie

Head office in Hong Kong:

Room 1215
Leighton Centre
77 Leighton Road
Causeway Bay, Hong Kong

Independent non-executive Directors:

Mr. Chan Koon Yung
Mr. Lai Chun Yu
Mr. Lum Pak Sum

27 July 2018

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED CAPITAL REORGANISATION;
(2) PROPOSED CHANGE IN BOARD LOT SIZE;
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 25 June 2018 in relation to the Capital Reorganisation and Change in Board Lot Size.

* For identification purposes only

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information regarding the proposed Capital Reorganisation and the proposed Change in Board Lot Size and to give you the notice of the SGM at which a special resolution will be proposed to consider and, if thought fit, approve the Capital Reorganisation.

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation which will involve the Share Consolidation, the Capital Reduction and the Share Sub-division, details of which are as follows:

(1) Share Consolidation

Every 10 issued and unissued Existing Shares of nominal value of HK\$0.10 each in the share capital of the Company will be consolidated into 1 Consolidated Share of nominal value of HK\$1.00.

(2) Capital Reduction

The Capital Reduction will be effected immediately upon the Share Consolidation becoming effective, pursuant to which (i) the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation will be rounded down to a whole number by cancelling any fraction in the issued share capital of the Company which may arise from the Share Consolidation; and (ii) the nominal value of each of the then issued Consolidated Shares will be reduced from HK\$1.00 to HK\$0.10 by cancelling the paid-up capital of the Company to the extent of HK\$0.90 on each of the then issued Consolidated Shares, the credits arising from (a) such reduction of the paid up capital; and (b) the cancellation of any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation will be applied towards cancelling the accumulated losses of the Company as at the effective date of the Capital Reduction, the excess of which (if any) will be credited to the contributed surplus account of the Company within the meaning of the Companies Act.

(3) Share Sub-division

Immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of nominal value of HK\$1.00 will be sub-divided into 10 New Shares of nominal value of HK\$0.10 each.

LETTER FROM THE BOARD

Effects of the Capital Reorganisation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$1,000,000,000 divided into 10,000,000,000 Existing Shares of nominal value of HK\$0.10 each, of which 7,405,452,600 Existing Shares have been issued and fully paid or credited as fully paid. Assuming there will be no change in the issued share capital of the Company from the Latest Practicable Date until the effective date of the Capital Reorganisation, the authorised share capital of the Company will be HK\$1,000,000,000 divided into 10,000,000,000 New Shares of nominal value of HK\$0.10 each, of which 740,545,260 New Shares will be in issue and the aggregate nominal value of the issued share capital of the Company will be HK\$74,054,526 upon the Capital Reorganisation becoming effective.

Based on the 7,405,452,600 Existing Shares in issue as at the Latest Practicable Date, a credit of HK\$666,490,734 will arise as a result of the Capital Reorganisation. It is proposed that the total credit arising in the accounts of the Company from the Capital Reorganisation will be applied towards cancelling the accumulated losses of the Company upon the Capital Reorganisation becoming effective. Any excess of such credits will be transferred to the contributed surplus account of the Company which may be utilised by the Board in any manner as the Board may deem fit as may be permitted under the applicable laws.

Shareholders and potential investors should note that the credits arising in the books from the Capital Reorganisation will be subject to change depending on the number of the Existing Shares in issue immediately prior to the Capital Reorganisation becoming effective.

LETTER FROM THE BOARD

Assuming no further Existing Shares will be issued or repurchased after the Latest Practicable Date but prior to the effective date of the Capital Reorganisation, the effect of the Capital Reorganisation and the share capital structure of the Company is summarised below:

	As at the Latest Practicable Date	Immediately after the Capital Reorganisation
Nominal value	HK\$0.10 per Existing Share	HK\$0.10 per New Share
Authorised share capital	HK\$1,000,000,000.00	HK\$1,000,000,000.00
Number of authorised shares	10,000,000,000 Existing Shares	10,000,000,000 New Shares
Number of issued shares	7,405,452,600 Existing Shares	740,545,260 New Shares
Issued share capital	HK\$740,545,260.00	HK\$74,054,526.00

Other than the relevant expenses, including but not limited to professional fees and printing charges to be incurred, the implementation of the Capital Reorganisation will have no material effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the proportionate interests of the Shareholders, save for any fractional New Shares to which Shareholders may be entitled. The Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Group.

Status of the New Shares

All New Shares in issue immediately following the Capital Reorganisation becoming effective will rank *pari passu* in all respects with each other and the Capital Reorganisation will not result in any change in the relative rights of the Shareholders.

Fractional entitlement to New Shares

Any fractional Shares arising from the Share Consolidation will not be allocated to the Shareholders. Any fractional entitlement to the Consolidated Shares will be cancelled and applied towards the cancellation of accumulated losses of the Company.

LETTER FROM THE BOARD

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (1) the passing of the necessary special resolution by the Shareholders to approve the Capital Reorganisation at the SGM;
- (2) the Stock Exchange granting the listing of, and the permission to deal in, the New Shares arising from the Capital Reorganisation; and
- (3) the compliance with the relevant procedures and requirements under the Companies Act and the Listing Rules to effect the Capital Reorganisation.

Assuming the above conditions are fulfilled, the Capital Reorganisation is expected to become effective on the next Business Day after the date of passing of the relevant special resolution approving the Capital Reorganisation at the SGM.

Listing and dealings

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation and the New Shares which may fall to be allotted and issued upon the exercise of the share options to be granted under the New Share Option Scheme.

Subject to the granting of listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The New Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. All necessary arrangements will be made for the New Shares to be admitted into CCASS.

No part of the equity or debt securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal in is being currently proposed to be sought from any other stock exchange.

LETTER FROM THE BOARD

PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Existing Shares are traded in board lots of 20,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 20,000 Existing Shares to 10,000 New Shares conditional upon the Capital Reorganisation becoming effective.

Based on the closing price of HK\$0.056 per Existing Share (equivalent to the theoretical closing price of HK\$0.560 per New Share) as at the Latest Practicable Date, the value of each board lot of the Existing Shares is HK\$1,120 and the theoretical market value of each board lot of the New Shares, assuming the Capital Reorganisation had become effective, would be HK\$5,600.

REASONS FOR THE CAPITAL REORGANISATION AND THE CHANGE IN BOARD LOT SIZE

Share Consolidation

In considering the number of Existing Shares to be consolidated into one Consolidated Share, the Board has taken into account of (i) the possible share price movement in the future; (ii) the trading value of each board lot upon completion of Share Consolidation; and (iii) the sufficient credit to the contributed surplus account, which will arise from the Capital Reduction upon completion of the Share Consolidation after offsetting the accumulated losses of the Company, as buffer to accommodate any loss (as the case may be) to be incurred by the Group in the future. The Directors have also considered to consolidate a smaller number of Existing Shares into one Consolidated Share. However, due to the reasons stated below, the Directors have decided not to proceed with it. Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. In view of the prevailing trading price of the Existing Shares, the Board proposes to implement the Share Consolidation. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange. A very low share price, such as the current price of the Existing Shares, carries the undesirability of being viewed as a vehicle for speculation, and this can have the effect of deterring potential investors, and in particular institutional investors. The Board believes that the higher trading price of the New Shares will also enhance the Company's corporate image and therefore attract a broader range of institutional and professional investors to invest in the New Shares, broadening the shareholder base of the Company. More investment from institutional investors is also likely to reduce the volatility of and stabilise the share price of the Company, as

LETTER FROM THE BOARD

such investors tend to have longer investment horizons. It is expected that a more stable and less volatile trading share price will serve to facilitate trading activities and improve market efficiency by improving the liquidity of the New Shares. The theoretical resulting upward price adjustment as a result of the Share Consolidation would reduce the volatility of the New Shares and improve the efficiency of its pricing as each price tick represents a narrower percentage price spread. The higher the price per share, the lower the percentage change resulting from any change in the share price. Decreasing the volatility of the price of the shares of the Company could encourage greater investment by institutional investors and result in greater liquidity in the shares of the Company, thereby improving market efficiency. Having considered the above, the Directors are of the view that the consolidation of every 10 issued and unissued Existing Shares into 1 Consolidated Share will be in the interests of the Company and its Shareholders.

Furthermore, as the theoretical market value of each new board lot of the New Shares upon the Capital Reorganisation becoming effective will be higher than the market value of each existing board lot of the Existing Shares, the transaction cost as a proportion of the market value of each board lot will be lower. The Board considers that the Capital Reorganisation and the Change in Board Lot Size would enable the Company to comply with the trading requirements under the Listing Rules and is beneficial to and in the interest of the Company and the Shareholders as a whole.

Capital Reduction

According to the Company's annual report for year ended 31 March 2018, as at 31 March 2018, the audited accumulated losses of the Company was approximately HK\$491,122,000. The Capital Reduction will allow the Company to eliminate the accumulated losses and as a result, if the Company intends to make payment of dividends to the Shareholders, this will give the Company the flexibility to declare dividends to the Shareholders at an earlier opportunity than by generating profits to offset such losses.

Change in Board Lot Size

Upon completion of the Capital Reorganisation and assuming that the board lot size will keep at 20,000 New Shares, the trading value of each board lot will become HK\$11,200 based on the share price of the Company as at the Latest Practicable Date, the relatively high trading value of each board lot which may adversely affect the liquidity and attractiveness of the New Shares to potential investors. As such, subject to the Capital Reorganisation becoming effective, the Board also proposes to change the board lot size for trading from 20,000 Existing Shares to 10,000 New Shares. The Board considers that such change in the board lot size would keep a balance in maintaining the trading amount for each board lot at a reasonable level for the public to invest in the New Shares and the odd lot which will arise as a result.

LETTER FROM THE BOARD

In structuring the Capital Reorganisation, the Company has taken into account the business plans of the Group for the next 12 months. As at the Latest Practicable Date, the Company has no intention to conduct any fund raising exercises, corporate actions and/or capital reorganisations in the next 12 months which will offset the effect of the Capital Reorganisation.

Exchange of share certificates

Subject to the Capital Reorganisation becoming effective, Shareholders may, on or after Wednesday, 29 August 2018 until Monday, 8 October 2018 (both days inclusive), submit share certificates for the Existing Shares to the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong at the expense of the Company, for new share certificates of the New Shares (on the basis of 10 Existing Shares for 1 New Share). Thereafter, certificates of Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of certificates cancelled/issued is higher. After 4:30 p.m. on Monday, 8 October 2018, existing share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for certificates for New Shares at any time but will not be accepted for delivery, trading and settlement purposes.

ARRANGEMENT FOR MATCHING SERVICE FOR ODD LOTS

In order to facilitate the trading of odd lots (if any) of the New Shares, the Company has appointed One China Securities Limited as agent to provide matching services, on a best efforts basis, to those Shareholders who wish to acquire odd lots of the New Shares to make up a full board lot, or to dispose of the holding of odd lots of the New Shares. Shareholders who wish to take advantage of this facility should contact Ms. Carmen Wong of One China Securities Limited at 2/F., Cheong K. Building, 86 Des Voeux Road C., Central, Hong Kong at telephone number (852) 3188 2676 from 9:00 a.m. on Wednesday, 12 September 2018 to 4:00 p.m. on Thursday, 4 October 2018 (both days inclusive). Shareholders should note that successful matching of the sale and purchase of odd lots of the New Shares is not guaranteed.

Please refer to the section headed "EXPECTED TIMETABLE" on pages 4 to 5 of this circular for the period during which the Company will provide matching service for the sale and purchase of odd lots of the New Shares.

LETTER FROM THE BOARD

BOOK CLOSURE FOR DETERMINING ENTITLEMENTS TO ATTEND AND VOTE AT THE SGM

For determining the entitlement to attend and vote at the SGM, the register of members will be closed from Thursday, 23 August 2018 to Tuesday, 28 August 2018, both days inclusive. In order to be eligible to attend and vote at the SGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 22 August 2018.

ADJUSTMENTS IN RELATION TO THE OTHER SECURITIES OF THE COMPANY

Share Options

As at the Latest Practicable Date, the Company has no outstanding share options.

Convertible securities

As at the Latest Practicable Date, the Company has not issued any convertible securities.

Save as disclosed above, the Company does not have any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares, as at the Latest Practicable Date.

SPECIAL GENERAL MEETING

The SGM will be held at 2/F., 35-45B Bonham Strand, Sheung Wan, Hong Kong on 10:30 a.m. on Tuesday, 28 August 2018, the notice of which is set out on pages SGM-1 to SGM-3 of this circular, for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation. In compliance with the Listing Rules, the resolution will be voted on by way of a poll at the SGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Capital Reorganisation and as such, no Shareholder is required to abstain from voting on the special resolution to be proposed at the SGM.

LETTER FROM THE BOARD

Whether or not you are able to attend the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event by 10:30 a.m. on Sunday, 26 August 2018 or not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof to the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM (or any adjournment thereof) in person should you so wish, and in such event, the form of proxy previously submitted shall be deemed to be revoked.

RECOMMENDATION

The Board considers that the Capital Reorganisation is in the interest of the Company and the Shareholders as a whole and so recommends all Shareholders to vote in favour of the special resolution approving the Capital Reorganisation at the SGM.

RESPONSIBILITY STATEMENT

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.

By Order of the Board
ANXIAN YUAN CHINA HOLDINGS LIMITED
SHI HUA
Chairman

NOTICE OF SPECIAL GENERAL MEETING



ANXIAN YUAN CHINA HOLDINGS LIMITED 安賢園中國控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 0922)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT a special general meeting (the “**SGM**”) of Anxian Yuan China Holdings Limited (the “**Company**”) will be held at Hong Kong on Tuesday, 28 August 2018 at 10:30 a.m. for considering and if thought fit, to approve the following resolution as a special resolution of the Company:

SPECIAL RESOLUTION

“**THAT**, conditional upon (i) compliance by the Company with the requirements of section 46(2) of the Companies Act 1981 of Bermuda (the “**Companies Act**”) to effect the Capital Reduction (as defined below) and; (ii) the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of, and the permission to deal in, the New Shares (as defined below) in issue, with effect from the business day immediately following the date of passing this resolution:

- (a) Every 10 issued and unissued share of the Company of nominal value of HK\$0.10 (the “**Existing Shares**”) each in the share capital of the Company will be consolidated into 1 consolidated share of nominal value of HK\$1.00 each (the “**Consolidated Share**”) in share capital of the Company (the “**Share Consolidation**”);
- (b) immediately upon the Share Consolidation becoming effective, (i) the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation will be rounded down to a whole number by cancelling any fraction in the issued share capital of the Company which may arise from the Share Consolidation; and (ii) the nominal value of each of the then issued Consolidated Shares will be reduced from HK\$1.00 to HK\$0.10 (the “**New Shares**” and each a “**New Share**”) by cancelling the paid up capital of the Company to the extent of HK\$0.90 on each of the then issued Consolidated Shares (the “**Capital Reduction**”);

* For identification purposes only

NOTICE OF SPECIAL GENERAL MEETING

- (c) immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of nominal value of HK\$1.00 will be sub-divided into 10 New Shares of nominal value of HK\$0.10 each (the “**Share Sub-division**”, together with the Share Consolidation and Capital Reduction, shall comprise the “**Capital Reorganisation**”);
- (d) all New Shares in issue immediately following the Capital Reorganisation becoming effective will rank *pari passu* in all respects with each other;
- (e) the credits arising from (a) the Capital Reduction of the paid up capital; and (b) the cancellation of any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation will be applied towards cancelling the accumulated losses of the Company as at the effective date of the Capital Reduction, the excess of which (if any) will be credited to the contributed surplus account of the Company within the meaning of the Companies Act; and
- (f) any one of the directors of the Company be and is hereby authorised, for and on behalf of the Company, to enter into any agreement, deed or instrument and/or to execute and deliver all such documents and/or do all such acts on behalf of the Company as he/she may consider necessary, desirable or expedient to complete, implement and give effect to any and all the arrangements in relation to the Capital Reorganisation.”

By Order of the Board
ANXIAN YUAN CHINA HOLDINGS LIMITED
SHI HUA
Chairman

Hong Kong, 27 July 2018

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office in Hong Kong:
Room 1215
Leighton Centre
77 Leighton Road
Causeway Bay, Hong Kong

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the SGM convened by the above notice is entitled to appoint a proxy or, if such member is a holder of more than one share, more than one proxy to attend and vote instead of such member. Where a member appoints more than one proxy the instrument of proxy shall state which proxy is entitled to vote on a poll. A proxy need not be a member of the Company.
2. To be valid, a form of proxy must be delivered to the branch share registrar of the Company in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not later than 10:30 a.m. on Sunday, 26 August 2018. If a form of proxy is signed under a power of attorney, the power of attorney or other authority relied on to sign it (or a certified copy) must be delivered to the branch share registrar of the Company in Hong Kong with the form of proxy, except that the power of attorney which has already been registered with the Company need not be so delivered. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof should he so wish.
3. Where there are joint holders of a share of the Company, any one of such holders may vote at the meeting, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such holders are present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for this purpose be deemed joint holders thereof.
4. The register of members of the Company will be closed from Thursday, 23 August 2018 to Tuesday, 28 August 2018 (both days inclusive), during which period no transfer of shares in the Company will be registered. In order to qualify for attending and voting at the SGM, all transfers, accompanied by the relevant certificates, must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event by no later than 4:30 p.m. on Wednesday, 22 August 2018.
5. The votes to be taken at the meeting for the resolution will be by way of a poll.
6. As at the date of this notice, the Board comprises three executive directors, namely Mr. Shi Hua, Mr. Shi Jun and Mr. Law Fei Shing; one non-executive director, namely Mr. Wang Hongjie; and three independent non-executive directors, namely Mr. Chan Koon Yung, Mr. Lai Chun Yu and Mr. Lum Pak Sum.