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**SHENWAN HONGYUAN (H.K.) LIMITED**

**申萬宏源(香港)有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 218)**

**CONTINUING CONNECTED TRANSACTIONS**

The Board is pleased to announce that on 5 August 2025, the Company entered into the 2025 SWHYG MOU with SWHYG in relation to the transactions between the SWHYG Group and the Group to replace the 2022 SWHYG MOU. The 2025 SWHYG MOU shall be effective from 1 September 2025 or upon approval by the Independent Shareholders at the EGM and shall expire on 31 May 2028.

As SWHYG is deemed to be beneficially interested in 64.9% of the issued share capital of the Company and a substantial shareholder of the Company, SWHYG is a connected person of the Company under the Listing Rules. As such, the SWHYG Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since each of the asset ratio, the revenue ratio and the consideration ratio (as defined under Rule 14.07 of the Listing Rules) with reference to the largest Annual Cap in respect of the SWHYG Transactions in aggregate exceeds 5% and the amount of the largest Annual Cap for the SWHYG Transactions is more than HK\$10 million respectively, the 2025 SWHYG MOU is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

To deal with the Continuing Connected Transactions, the Independent Board Committee, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and whether the terms of the Continuing Connected Transactions and the Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Somerley Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the terms of the Continuing Connected Transactions. A circular containing, among other things, (i) further details of the Continuing Connected Transactions; (ii) a

letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders on the Continuing Connected Transactions and the Annual Caps; (iii) the recommendation of the Independent Board Committee regarding the Continuing Connected Transactions and the Annual Caps to the Independent Shareholders; and (iv) a notice of the EGM is expected to be despatched to the Shareholders on or before 12 August 2025. As at the date of this announcement, the continuing connected transactions amount from 1 June 2025 to date is below the de minimis transactions threshold which is fully exempt under Chapter 14A.76 of the Listing Rules.

## **BACKGROUND**

Reference is made to the announcement published by the Company on 20 April 2022 and the circular issued by the Company on 13 May 2022.

The continuing connected transactions contemplated under the 2022 SWHYG MOU were approved by the then Independent Shareholders at the extraordinary general meeting of the Company held on 30 May 2022. The 2022 SWHYG MOU was expired on 31 May 2025.

On 5 August 2025, the Company entered into the 2025 SWHYG MOU with SWHYG to replace the 2022 SWHYG MOU. The 2025 SWHYG MOU shall be effective from 1 September 2025 or upon approval by the Independent Shareholders at the EGM and shall expire on 31 May 2028.

## **PRINCIPAL TERMS OF THE MOU**

### **2025 SWHYG MOU**

#### ***Date***

5 August 2025

#### ***Parties***

- (1) SWHYG
- (2) the Company

#### ***Duration***

1 September 2025 to 31 May 2028

#### ***Provisions of services***

The scope of services consists of the following:

A. *Services provided by the SWHYG Group to the Group:*

- (i) Brokerage services: regarding brokerage services in the PRC capital markets, the SWHYG Group provides the Group with brokerage services related to securities, including but not limited to providing B-share brokerage services. The scope of services provided by the SWHYG Group to the Group includes, but is not limited to, the anticipated introduction of offshore investor schemes in the future. The SWHYG Group provides brokerage services for investment products that are allowed to be traded under these schemes to the Group's clients. The SWHYG Group will actively cooperate with the Group to take measures to develop the business of overseas institutions and individuals investing in the B-share market, including jointly developing overseas institutional investors (such as QFII, Bond Connect, Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect and Cross-boundary WMC). Meanwhile, the SWHYG Group also provides the Group with other anticipated brokerage services;
- (ii) Investment operational supporting services: supporting services provided by the SWHYG Group to the Group in support of the Group's PRC and overseas market development and operations, so as to promote the Group's investment operations, the scope of which includes but is not limited to the new products services launched or to be launched, such as the QFII, Mainland-Hong Kong Mutual Recognition of Fund Programs, domestic commodity futures, domestic bonds (Bond Connect), Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect and Cross-boundary WMC. When these new products are implemented, the SWHYG Group can assist the Group in aspects such as client referrals, business and market consultations, and staff training, and assist the Group in providing support services for business market consultations, including but not limited to (i) assigning relevant professional service personnel to provide consulting services to the Group, (ii) providing information on China's macroeconomic environment and business development on a regular basis and as required, (iii) providing logistics services, and (iv) conducting market research and writing the Chinese market research reports for the Group's internal reference;
- (iii) Research supporting services: provision of various research supporting services to the Group by the SWHYG Group based on the business needs of the Group, to support the Group's securities, futures, and corporate finance business. The research services provided by the SWHYG Group include economic analysis, investment strategy research, industry research, Hong Kong and PRC listed company research, and research services for fixed income product, derivative and other securities, as well as provision of special investigation, demonstration, etc. based on the Group's requirements; and
- (iv) Corporate finance services: the SWHYG Group and the Group will cooperate with each other in the corporate finance business and will jointly promote their businesses in bond capital market and equity capital market. The SWHYG Group recommends the Group to

its clients and provides corporate finance transactions, including but not limited to, finance projects, merger and acquisition transactions and financial advisory services. The cooperation transactions are as follows:

- (a) Finance projects: the SWHYG Group will fully utilise its resources in corporate finance business to provide relevant information to the Group, and jointly develop and cultivate listing projects.
- (b) Merger and acquisition transactions: the SWHYG Group provides information to the Group and recommends the Group to the clients of the SWHYG Group to provide financial advisory services in connection with merger and acquisition business, so as to make full use of each other's strengths and to provide more complete services to the clients.
- (c) Financial advisory services: the SWHYG Group provides the Group with information of financial advisory business, and introduces clients to the Group, so as to strengthen the market advantages of both parties and to provide more complete services to the clients. The financial advisory services include, but are not limited to, pre-initial public offering (“**IPO**”) private placement and the introduction of strategic investors, as well as advice on the offering of securities and corporate restructuring.

*B. Services provided by the Group to the SWHYG Group:*

- (i) Brokerage services: regarding brokerage services in the Hong Kong and overseas capital markets, the Group provides the SWHYG Group with brokerage services for various investment products available for the SWHYG Group to participate in Hong Kong and overseas, as well as client referral services. The Group's business scope includes, but is not limited to, (i) brokerage services and related services arising from Hong Kong and overseas investment products such as stocks, futures, options, bonds, etc.; (ii) the Group is one of the designated service providers of the SWHYG Group to provide brokerage services for the overseas investment products, including but not limited to, QDII, QDII 2, RQDII, Bond Connect, Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect and Cross-boundary WMC.
- (ii) Investment operational supporting services: Hong Kong and overseas market supporting services provided by the Group to the SWHYG Group in support of the SWHYG Group's market development and operations. Service coverage includes, but is not limited to, new products or new arrangements launched or to be launched in the future, such as QDII, QDII 2, RQDII, QFII, Mainland-Hong Kong Mutual Recognition of Fund Programs, overseas commodity futures, offshore bond issuance (Bond Connect), Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect.

When these products or plans are implemented, the Group can assist the SWHYG Group in aspects such as business and market consultations and staff training, including but not limited to: (i) assigning relevant professional service personnel to provide consulting services to the SWHYG Group, (ii) providing product basic data such as stocks, funds, bonds, indices, financial news, market trends, policy and regulatory news express, (iii) providing reports on industry, companies, macroeconomics, investment strategies, etc., (iv) providing special advisory services on matters related to securities investment, (v) providing logistics services, and (vi) the Group granting a license for the SWHYG Group to occupy the Group's Hong Kong office.

The SWHYG Group can engage the Group to provide asset management services for managing its capital investment. The services to be provided by the Group to the SWHYG Group include but are not limited to the provision of investment advisory services for offshore securities investment single orientation asset management and other asset management programs.

- (iii) Corporate finance services: the SWHYG Group and the Group will cooperate with each other in the corporate finance business, and the Group recommends the SWHYG Group to its clients and provides corporate finance transactions, including but not limited to, finance projects, merger and acquisition transactions, and financial advisory services. The cooperation transactions are as follows:
  - (a) Finance projects: the Group will fully utilise its resources in corporate finance business to provide relevant information to the SWHYG Group, and jointly develop and cultivate listing projects.
  - (b) Merger and acquisition transactions: the Group provides information to the SWHYG Group and recommends the SWHYG Group to the clients of the Group to provide financial advisory services in connection with merger and acquisition business, so as to make full use of each other's strengths and to provide more complete services to the clients.
  - (c) Financial advisory services: the Group provides the SWHYG Group with information of financial advisory business, and introduces clients to the SWHYG Group, so as to strengthen the market advantages of both parties and to provide more complete services to the clients. The financial advisory services include, but are not limited to, pre-initial public offering (“**IPO**”) private placement and the introduction of strategic investors, etc. The Group provides aforementioned corporate finance services to the SWHYG Group, including but not limited to capital raising (including but not limited to offering of securities (including IPO), share placements, bond issuances, etc.), acting as placing agent, listing agent, arranger, settlement lead manager, bookrunner, sponsor, global coordinator, etc., compliance advisory service

in relation to the Hong Kong Listing Rules and the Takeovers Code, corporate restructuring and cross-border financial service, and other types of legal compliance advisory services.

*C. Principal-to-principal transactions of investment products:*

The principal-to-principal transactions between the SWHYG Group and the Group, including but not limited to, derivative transactions (including but not limited to swaps, options, futures, forwards, etc.) traded by linking diversified underlying assets, such as debt securities, stocks, bonds, private debts, private equity, commodities, funds, indices, interest rates, foreign exchange on the primary and secondary stock and debt securities markets; trading of structured products (including but not limited to total return swaps, bond-linked notes, interest rate-linked notes, fund-linked notes, equity-linked notes) as well as customised investment products trading and related services. The principal-to-principal transactions of the aforesaid products are only conducted between Shenwan Hongyuan Securities Co., Ltd., a subsidiary of the SWHYG Group, or subsidiaries included in the consolidated financial statements of Shenwan Hongyuan Securities Co., Ltd. and the Group.

***Pricing***

The SWHYG Group and the Group have agreed that the fees charged to each other during the cooperation period (including the principal-to-principal transactions and corporate finance transactions) will be determined based on normal commercial principles (including individual negotiation with reference to market levels and actual circumstances), taking into account the scope of work and nature of the services as well as the resources utilized, and based on principles of fairness and reasonableness, co-development, benefit sharing. In addition, the terms and the fees in relation to the Continuing Connected Transactions shall be no more favorable to the SWHYG Group, or no less favorable to the Group, than the terms and the fees offered by the SWHYG Group or the Group to the independent third parties for similar comparable services, or the general terms and fees in the services procured from the independent third parties for similar comparable services. In no event shall the total amount received or paid in respect of the connected transactions exceed the annual cap of the connected transactions approved by the shareholders of the Company.

- (1) With respect to securities brokerage transactions, the fees received/receivable or paid/payable (as the case may be) shall be determined with reference to, among other things, the fees, rates and commission for independent third parties in the market and the expected total brokerage transactions amount. For futures brokerage, the commission per lot per side varies according to (i) the type of futures contract, (ii) the stock exchange on which it is traded; and (iii) whether the trade is executed during the day or overnight in Hong Kong time. With respect to the brokerage ancillary services, for example handling service fees, the fees charged/chargeable or paid/payable (as the case may be) shall be determined with reference to expected costs.

- (2) The fees to be charged by the Group to the SWHYG Group relating to the supporting services for developing Hong Kong and overseas markets will be determined based on either (i) normal commercial principles (including individual negotiation with reference to market levels and actual circumstances), or (ii) the actual costs incurred in connection with provision of services (including but not limited to the staff cost of the middle-office and back-office of the Group), or (iii) a prescribed percentage (ranging from 20%-50%) of the after-tax actual relevant commission earned by the SWHYG Group.

The fees to be charged by the SWHYG Group to the Group relating to the supporting services will be determined based on either (i) the expected costs to be incurred by the SWHYG Group for provision of the services, which are calculated based on the estimated number of man-days/man-hours needed for the work and with reference to the SWHYG Group's employees' hourly payroll in provision of daily operations, market consulting, staff training and other services in relation to the Group's PRC market development and operations; or (ii) a prescribed percentage (ranging from 15%-50%) of the after-tax actual relevant commission earned by the Group.

With respect to the investment management and advisory services transactions, the fees charged/chargeable or paid/payable (as the case may be) shall be determined with reference to, among other things, the fund management fees and performance fees of independent third parties in the market. The Group will conduct on an annual basis or more regularly, if required, to review the fees charged with reference to the scope of work performed.

- (3) With respect to research supporting service transactions, the pricing will be based on (i) the fixed monetary consideration agreed in writing annually, for which the price and the terms will be determined based on an arm's length basis and normal commercial principles with reference to the scope of work; or (ii) a prescribed percentage of 30% of the after-tax actual relevant commission earned by the Group. The Group will conduct on an annual basis or more regularly, if required, to review the fee charged with reference to the scope of work performed.
- (4) With respect to corporate finance services transactions, relevant business departments shall make reference to the fees for comparable transactions of independent third parties in the market and ensure that the pricing is negotiated on an arm's length basis. The pricing policy will be based on a fixed percentage (8%-50%) of the revenue from third party customers for each project.
- (5) With respect to principal-to-principal transactions, for bonds on the primary debt market, they will be priced at face value. For bonds traded over-the-counter on the secondary debt market, the price and terms will be determined on the basis of arm's length negotiations and respective clients' demand for the market making business; the structured products will be priced on normal and ordinary commercial terms and based on either (i) the complexity of the products' structure and market conditions at the time of issuance and other factors; or (ii) if the products are tailor-made in accordance with the instructions of the purchasers, a cost-plus basis according to the complexity, structure, nature and volatility of the underlying assets and market conditions at the time of issuance.

## PREVIOUS ANNUAL CAPS

Set out below are the Previous Annual Caps:

|  | Seven<br>months<br>ended<br>31 December<br>2022<br>HK\$'000 | Year ended 31 December<br>2023<br>HK\$'000 | 31 December<br>2024<br>HK\$'000 | Five months<br>ended<br>31 May<br>2025<br>HK\$'000 |
|--|---|--|---------------------------------|--|
| Services provided by the SWHYG Group to the Group  | 90,343  | 174,888                                    | 234,104                         | 152,475  |
| (i) Brokerage services relating to the PRC capital markets from the SWHYG Group to the Group                                 | 2,391   | 4,508                                      | 4,959                           | 2,273  |
| (ii) Investment operational supporting services from the SWHYG Group to the Group  | 21,131  | 42,723                                     | 80,550                          | 71,871   |
| (iii) Research supporting services from the SWHYG Group to the Group   | 15,747  | 34,070                                     | 48,414                          | 33,583   |
| (iv) Corporate finance services from the SWHYG Group to the Group  | 51,074  | 93,587                                     | 100,181                         | 44,748   |
| Services provided by the Group to the SWHYG Group  | 41,815  | 93,505                                     | 139,491                         | 102,096  |
| (i) Brokerage services relating to Hong Kong and overseas capital markets from the Group to the SWHYG Group                  | 2,984   | 5,627                                      | 6,189                           | 2,837  |
| (ii) Investment operational supporting services relating to Hong Kong and overseas markets from the Group to the SWHYG Group | 29,206  | 69,728                                     | 113,337                         | 90,108   |
| (iii) Corporate finance services from the Group to the SWHYG Group   | 9,625   | 18,150                                     | 19,965                          | 9,151  |
| Principal-to-principal trading of financial products   | 1,180,404   | 6,039,250                                  | 10,078,500                      | 6,732,083  |
| Annual Caps  | 1,312,562   | 6,307,643                                  | 10,452,095                      | 6,986,654  |



Set out below is a summary of the Group's historical transaction amounts of the transactions under the 2022 SWHYG MOU for the seven months ended 31 December 2022, each of the two years ended 31 December 2024, and the five months ended 31 May 2025:

|   | <b>Seven<br/>months<br/>ended 31<br/>December<br/>2022</b> | <b>Year ended 31 December<br/>2023</b> | <b>Year ended 31 December<br/>2024</b> | <b>Five months<br/>ended<br/>31 May<br/>2025</b> |
|---|--|--|--|--|
|   | <i>HK\$'000</i>  | <i>HK\$'000</i>                        | <i>HK\$'000</i>                        | <i>HK\$'000</i>                                  |
|   | (Audited)  | (Audited)                              | (Audited)                              | (Unaudited)                                      |
| Historical transaction amounts for<br>services relating to the SWHYG<br>Transactions comprising:                                      |  |  |  |  |
| Services provided by the SWHYG Group<br>to the Group  | 2,226  | 3,328                                  | 3,819                                  | 1,323  |
| (i) Brokerage services relating to the<br>PRC capital markets from the<br>SWHYG Group to the Group                                    | 126  | 149                                    | 799                                    | 230  |
| (ii) Investment operational supporting<br>services from the SWHYG<br>Group to the Group   | 2,100  | 3,179                                  | 3,020                                  | 1,093  |
| (iii) Research supporting services from<br>the SWHYG Group to the<br>Group  | —  | —                                      | —                                      | —  |
| (iv) Corporate finance services from<br>the SWHYG Group to the<br>Group   | —  | —                                      | —                                      | —  |
| Services provided by the Group to the<br>SWHYG Group  | 7,568  | 27,769                                 | 23,719                                 | 10,204   |
| (i) Brokerage services relating to<br>Hong Kong and overseas capital<br>markets from the Group to the<br>SWHYG Group                  | —  | —                                      | 1,749                                  | 286  |
| (ii) Investment operational supporting<br>services relating to Hong Kong<br>and overseas markets from the<br>Group to the SWHYG Group | 7,568  | 27,769                                 | 21,970                                 | 9,918  |
| (iii) Corporate finance services from<br>the Group to the SWHYG<br>Group  | —  | —                                      | —                                      | —  |

|  | <b>Seven<br/>months<br/>ended 31<br/>December<br/>2022</b><br><i>HK\$'000</i><br>(Audited) | <b>Year ended 31 December<br/>2023</b><br><i>HK\$'000</i><br>(Audited) | <b>31 December<br/>2024</b><br><i>HK\$'000</i><br>(Audited) | <b>Five months<br/>ended<br/>31 May<br/>2025</b><br><i>HK\$'000</i><br>(Unaudited) |
|--|--|--|---|--|
| Principal-to-principal trading of financial products | 376,358  | 1,175,376  | 5,447   | 2,646,224  |
| Total historical transaction amounts                 | 386,152  | 1,206,473  | 32,985  | 2,657,751  |

### Annual Caps

Set out below is a summary of the proposed Annual Caps in respect of the Continuing Connected Transactions for the four months ending 31 December 2025, each of the two years ending 31 December 2027, and the five months ending 31 May 2028:

|  | <b>Four months<br/>ending 31<br/>December<br/>2025</b><br><i>HK\$'000</i> | <b>Year ending 31 December<br/>2026</b><br><i>HK\$'000</i> | <b>31 December<br/>2027</b><br><i>HK\$'000</i> | <b>Five months<br/>ending<br/>31 May<br/>2028</b><br><i>HK\$'000</i> |
|--|---|--|--|--|
| Proposed Annual Caps for services relating to the SWHYG Transactions comprising              |   |  |  |  |
| Services provided by the SWHYG Group to the Group  | 32,686  | 104,231  | 111,104  | 49,495   |
| (i) Brokerage services relating to the PRC capital markets from the SWHYG Group to the Group | 1,627   | 5,638  | 6,524  | 3,151  |
| (ii) Investment operational supporting services from the SWHYG Group to the Group            | 6,617   | 22,720   | 26,054   | 12,472   |
| (iii) Research supporting services from the SWHYG Group to the Group                         | 8,000   | 24,000   | 24,000   | 10,000   |
| (iv) Corporate finance services from the SWHYG Group to the Group                            | 16,442  | 51,873   | 54,526   | 23,872   |
| Services provided by the Group to the SWHYG Group  | 24,769  | 87,687   | 101,601  | 57,104   |

|  | Four months<br>ending 31<br>December<br>2025<br><i>HK\$'000</i> | Year ending 31 December<br>2026<br><i>HK\$'000</i> | 2027<br><i>HK\$'000</i> | Five months<br>ending<br>31 May<br>2028<br><i>HK\$'000</i> |
|--|---|--|-------------------------|--|
| (i) Brokerage services relating to Hong Kong and overseas capital markets from the Group to the SWHYG Group                  | 1,333   | 4,800  | 5,760                   | 6,912  |
| (ii) Investment operational supporting services relating to Hong Kong and overseas markets from the Group to the SWHYG Group | 13,545  | 51,413   | 66,167                  | 36,228   |
| (iii) Corporate finance services from the Group to the SWHYG Group   | 9,891   | 31,474   | 29,674                  | 13,964   |
| Principal-to-principal trading of financial products   | 6,003,333   | 20,020,000   | 24,040,000              | 11,700,000   |
| Annual Caps  | 6,060,788   | 20,211,918   | 24,252,705              | 11,806,599   |

## **BASIS OF THE ANNUAL CAPS FOR THE CONTINUING CONNECTED TRANSACTIONS**

### **Brokerage services relating to the PRC capital markets from the SWHYG Group to the Group**

The SWHYG Group's brokerage services relating to the PRC capital markets mainly represents the brokerage services for securities trading related to the B-share and the Offshore Investors Schemes (including but not limited to QFII, Bond Connect, Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect and Cross-boundary WMC). The Annual Caps in respect of the brokerage services provided by the SWHYG Group relating to the PRC capital markets are expected to account for approximately 8.5% of non-Hong Kong securities brokerage commission income of the Group after taking into account (i) the historical relationship between the B-share brokerage services relating to the PRC capital markets and the non-Hong Kong securities brokerage commission income of the Group over the past 3 years (2022-2024); (ii) the anticipated business growth stemming from the global capital reassessment of the value of PRC assets, as demand for investments in China-related listed companies and market services is projected to rise; (iii) a projected annual growth rate of 15%, in light of the 22% increase in the non-Hong Kong securities brokerage commission income in the first quarter of 2025 as compared to the last quarter of 2024.

### **Investment operational supporting services from the SWHYG Group to the Group**

With the continuous rollout of domestic policies to boost economic development and the gradual expansion of openness to overseas investors, including initiatives such as the Qualified Foreign Institutional Investor (QFII) program, the Mainland-Hong Kong Mutual Recognition of Fund

Programs, domestic commodity futures, Bond Connect, Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect and Cross-boundary WMC, these measures have created broader opportunities for international investors to participate in the PRC capital markets. In addition, amid the global capital reassessment of the value of PRC assets, coupled with the increasing number of PRC companies listed in both Hong Kong and Mainland China, as well as the growing interest of the Group's clients in investing in the PRC-related securities, the demand for professional advisory services covering both Hong Kong and Mainland China is expected to surge significantly. This presents a critical development opportunity for the Group to meet clients' diversified needs for the PRC market investments.

Other than the PRC market, the SWHYG Group has been actively developing and expanding its business in overseas markets and it will also provide supporting services to the Group for the overseas markets. The Directors consider it is beneficial to market development, cost effective and less time consuming to engage the SWHYG Group in the provision of certain supporting services (which include mainly client referrals, business and market consultation services and personnel training services). The Annual Caps in respect of the supporting services are based on service fees and following factors: (i) the prevailing market rates and the estimated costs to be incurred in connection with provision of the supporting services; (ii) the estimated annual growth rate of approximately 15% in service fees taking into account the expected rise in demand for such services from the Group and the increase in costs due to inflation; (iii) the increased demand of the supporting services for the PRC market due to the increasing market demand and the enhanced business cooperation with the SWHYG Group; and (iv) for the period from 2022 to 2024, the average commission and related handling fee income was approximately HK\$112 million, and it is expected that the respective payment for the supporting services for the PRC market will be around 15% of such average handling fee.

#### **Brokerage services relating to Hong Kong and overseas capital markets from the Group to the SWHYG Group**

The brokerage services for Hong Kong and overseas capital markets provided by the Group include but are not limited to the securities trading services resulting from the launch and the anticipated launch of the Onshore Investors Schemes (including but not limited to QDII, QDII 2, RQDII, Bond Connect, Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect and Cross-boundary WMC). The Annual Caps in respect of such brokerage services are determined with reference to: (i) the potential increase in demand for the brokerage services to be provided by the Group to the SWHYG Group and its associates for the growing offshore investment business in connection with QDII, QDII 2 and RQDII, Bond Connect, Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect and Cross-boundary WMC, which is expected to have an annual growth rate of approximately 20%; and (ii) the estimated 5% of Hong Kong securities commission income which will be contributed from the SWHYG Group after taking into account the average related Hong Kong securities commission income for the period from 2022 to 2024 was approximately HK\$71 million.

## **Investment operational supporting services relating to Hong Kong and overseas markets from the Group to the SWHYG Group**

With the continuous rollout of domestic policies to boost economic development and the gradual expansion of openness to overseas investors, including initiatives such as the Qualified Foreign Institutional Investor (QFII) program, the Mainland-Hong Kong Mutual Recognition of Fund Programs, domestic commodity futures, Bond Connect, Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect and Cross-boundary WMC, these measures have created broader opportunities for international investors to participate in the PRC capital markets. The Group will provide supporting services to the SWHYG Group in areas such as client referrals, business and market consultation services and personnel training services, resulting in growth of the relevant service fees.

The Annual Caps in respect of the Group's supporting services are based on (i) the advisory service fee income derives from such investment operational supporting services provided by the Group to the SWHYG Group's International Business Division after taking into account: (a) the historical staff cost in connection with the provision of the supporting services for the year ended 31 December 2024; (b) an estimated growth rate of 20%, in light of the approximate 24% increase in the Hong Kong securities brokerage commission income in the first quarter of 2025 as compared to the last quarter of 2024; (ii) the asset management services relating to Hong Kong and overseas markets for asset management business after taking into account: (a) the historical income in connection with the provision of the asset management services for the year ended 31 December 2024; (b) an estimated growth rate of 20%, in light of the approximate 20% increase in the management fee income in the second half of 2024 as compared to the first half of 2024. The Group will be engaged to provide asset management services to manage the SWHYG Group's offshore capital investment by utilizing the expertise and experience in asset management of the Group; (iii) the historical amount of the outsourcing service income derived from providing logistics services by the Group to the SWHYG Group (including the dispatch of relevant professionals (e.g. the middle-office and back-office staff specialized in providing the related supporting service) after taking into account a growth rate of 50% aligning with the 2025 strategic plan which aims to deepen the cross-border cooperation between the Group and the SWHYG Group as well as the Group's internal key performance indicators set for wealth management business and securities brokerage business.

The following factors have also been considered: (i) the potential increase in number of customers participating in schemes such as QDII, QDII 2, RQDII, QFII, the Mainland-Hong Kong Mutual Recognition of Fund Programs, overseas commodity futures, Bond Connect, Shanghai-Hong Kong Stock Connect Scheme, Shenzhen-Hong Kong Stock Connect and Cross-boundary WMC and the potential growth in the corresponding commission income; (ii) the prevailing market rates and the estimated costs to be incurred in connection with provision of the supporting services.

## **Supporting services relating to research from the SWHYG Group to the Group**

In view of the increasing number of dual-listed PRC companies listed in both the Hong Kong and the PRC markets, and the growing interest of the Group's foreign clients in investing in the PRC related securities, the Directors expect the demand for research materials covering both Hong Kong and PRC markets will grow continuously. In addition, as the Group will continue to actively develop its business with institutional investors, it is anticipated that more overseas institutional clients will be attracted to invest in the Hong Kong stock market, which in turn will lead to a rise in demand for research materials covering the PRC companies. Headquartered in the PRC, the SWHYG Group has its own securities research division principally engaged in securities research business, primarily covering the PRC listed companies. Given the significant and strong research capability of the SWHYG Group, the Directors consider that the Group's service level can be improved through utilizing the SWHYG Group's resources and therefore it is appropriate to engage it to provide such products and services. The Annual Caps in respect of the SWHYG Group's supporting services for research are determined with reference to (i) the historical transaction amounts of the relevant transactions; and (ii) a prescribed sharing ratio of approximately 30% on the average related Hong Kong securities commission income (including futures and options) for the period from 2022 to 2024 amounting to approximately HK\$85 million.

## **Corporate finance services between the Group and the SWHYG Group**

In view of the increase in cross-border business in relation to securities listings, the Group and the SWHYG Group could broaden cooperation in respect of corporate finance business, and will jointly promote the business in the securities capital market and equity capital market.

The Annual Caps in respect of the provision of corporate finance services by the SWHYG Group to the Group are based on (i) the historical corporate finance income of the SWHYG Group for the year ended 31 December 2023 and the estimated 1% of such income coming from the supporting corporate finance service provided to the Group after taking into account (a) the historical corporate finance services fees paid to the SWHYG Group; (b) the 2025 strategic plan which aims to deepen the cross-border cooperation between the Group and the SWHYG Group; (c) the Group's potential demand for corporate finance services with reference to the Group's internal 2025 key performance indicator set for corporate finance business and a projected annual growth rate of 5%; (ii) the Group's potential demand for research reports for IPO and placing projects with reference to the number of projects completed in 2024 and a projected growth of one project per annum; and (iii) the Group's potential demand for the debt capital market projects, which is based on the number of projects completed in 2024 and a projected growth rate of 5%. The growth rate of 5% used in the above was determined with reference to the increase in (i) such income of the Group by 4.2% and (ii) number of projects by 5.7%, for the first quarter of 2025 as compared to the same period in 2024.

The Annual Caps in respect of the provision of corporate finance services by the Group to the SWHYG Group are based on (i) 30% of the corporate finance income of the Group for the year ended 31 December 2024 is estimated to derive from the provision of corporate finance services to the SWHYG Group after taking into account (a) the historical corporate finance income of the Group for

the year ended 31 December 2024 and the expected portion of such income coming from the provision of corporate finance services to the SWHYG Group; (b) a projected annual growth rate of 10% given the 2025 strategic plan which aims to deepen the cross-border cooperation between the Group and the SWHYG Group as well as the Group's internal 2025 key performance indicator set for corporate finance business; (ii) estimated commission income in connection with the expected participation in offshore bond issuance of one of the wholly-owned subsidiaries of the SWHYG Group as an underwriter in 2026 and 2028, respectively, providing rating advisory, roadshow coordination, marketing, pricing and bookrunning services for the renewal of the two existing bonds upon their expiry. The growth rate of 10% used in the above has also taken into account the factors of (i) the 28.4% year on year increase in corporate finance income of the Group for the year ended 31 December 2024; and (ii) the increase of 4.2% in corporate finance income of the Group in the first quarter of 2025 compared to the same period in 2024.

### **Principal-to-principal trading between the SWHYG Group and the Group**

Among those financial products, we expected that the debt securities trading and the total return swap transactions contribute the majority of the principal-to-principal trading amounts. The Annual Caps for the transactions between the Group and the SWHYG Group are substantially based on:

#### **A. *Debt securities trading***

The expected transaction value of debt securities traded between the Group and the SWHYG Group which include (1) newly issued bonds in the primary market priced at their face value and (2) bonds traded in the secondary market through arm's length negotiations. The bonds are traded directly between the Group and the SWHYG Group, both acting as principals, through the market. The consideration paid/received for the debt securities traded is counted as part of the annual cap under this category. This results in a large in value annual cap to account for the overall consideration;

#### **B. *Total return swap transactions (structured products trading)***

The expected transaction value of total return swap transactions traded between the Group and the SWHYG Group, which comprises the notional amounts of underlying investments and the return (e.g. investment profit/loss, interest/dividend accrued, etc.) generated from the underlying investments (e.g. Hong Kong listed equities). These transaction values are counted as part of the annual cap under this category. As the notional amounts of the underlying investments are normally large and the returns of the underlying investments vary depending on the various factors such as market sentiment and interest rate forecasts, this results in a large in value annual cap;

The Annual Caps for the transactions between the Group and the SWHYG Group are determined with reference to the following factors:

- (i) The expectation that the transaction volumes to increase significantly over the next three years. Recent increase in average daily trading value of stocks listed on the Main Board of the Stock Exchange was noted, from HK\$99.3 trillion to HK\$121.5 trillion for the first three quarters of 2024, to HK\$186.8 trillion in the last quarter of 2024, and further to HK\$242.7 trillion in the first quarter of 2025. It has shown a clear upward momentum, and we anticipate a further pickup following the resolution of US election-related uncertainties and the commencement of the expected interest rate cut cycle;
- (ii) The expansion of the trading team will support broader product coverage and increased activity, including a higher frequency and expanding trading volume of ad-hoc transactions with the SWHYG Group; and
- (iii) The proposed growth in the annual caps for 2026 and 2027 are driven by the anticipated significant capital market recovery, as evidenced by the actual result for the five months ended 31 May 2025. Our transaction amounts for the first five months of 2025 reached HK\$2,646.2 million, a sharp rebound from previous periods. This recent performance provides a new, more realistic foundation for our forecasts. The annual caps in 2026 and 2027 are based on this actual results in 2025, combined with anticipated continued market momentum.

## **REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS**

The Directors believe that the entering into of the 2025 SWHYG MOU will serve as a platform for more extensive cooperation between the Group and the SWHYG Group. The SWHYG Group and the Group would continue to benefit from more efficient use of their respective clientele and resources, and a synergy effect is expected to be achieved as a result of their cooperation. The Directors also believe that the Group's service quality will be enhanced through the provision of cross-border financial intermediary services. Therefore, the Directors consider that entering into the 2025 SWHYG MOU is in the interests of the Company and the Shareholders as a whole.

The terms of the 2025 SWHYG MOU are arrived at after arm's length negotiations between the Company and SWHYG. The Directors consider that the SWHYG Transactions are conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of the Continuing Connected Transactions and the Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.



## INTERNAL CONTROL

The terms of the 2025 SWHYG MOU were arrived at after arm's length negotiations between the Company and SWHYG. In order to ensure the pricing of each type of transactions is on normal commercial terms, the Company has established a series of internal control procedures, including:

- (1) On an annual basis or more regularly as necessary, upon any material change in market condition or requests by the Audit Committee, the responsible business department of the Group will procure other quotations from independent brokers and services providers in the market and/or the rates charged to independent third party clients of the Group for similar transaction values for comparisons of the brokerage rates charged, the services fees of the supporting services, the service fees of the corporate finance services, the services fees of the asset management services and the price of the primary debt, secondary debt and structured products involved in the principal-to-principal transactions, to act as the basis to review the services and products sourced from the SWHYG Group and/or the services and products provided to the SWHYG Group. If no comparable transaction is available, the Group will conduct review based on the nature and the scope of work performed. Before the Group enters into any of the transactions, the responsible business department must ensure that (i) the price of the transaction is the same as, or within the price range of, comparable transactions carried out by independent third parties in the market and/or comparable transactions carried out with independent third party clients of the Group (where such transactions are available as references; for tailor-made structured products which will be priced on cost-plus basis, the responsible business department of the Group will review the premium in the similar products offered to the independent third parties as reference) or the pricing policy; and (ii) if there is any change to the Group's pricing policy or mechanism, that the revised pricing policy or mechanism is in line with market practice.
- (2) As to the brokerage services, according to the Group's internal policy, on an annual basis or more regularly as necessary, the business department of the Group will compare the brokerage rates charged against at least five other independent third party customers which had transacted with the Group for similar transaction values for comparisons of the brokerage rates.
- (3) As to the investment operational supporting services, according to the Group's internal policy, the reasonableness of the estimated man-days/man-hours will be verified by the business department of the Group by reference to the Group's relevant department's judgement of time required for work of similar nature. The Group will also cross check the time-cost rates of the SWHYG Group against the salary rates of Group's relevant staff to ascertain their reasonableness.
- (4) As to the corporate finance services and research services, according to the Group's internal policy, the responsible business department of the Group will conduct review on an annual basis or more regularly if required to compare the percentage of fee charged with reference to the scope of work performed.

- (5) As to the total return swap transactions, the transaction amount will be fully based on the gain and/or loss realised by the clients of the SWHYG Group and the Group only transfers/collects the amount to/from the SWHYG Group on dollar to dollar basis. The responsible business department will monitor the transactions regularly and ensure the transactions are in line with this principle. Therefore, the Directors consider that the Group has no (or minimal, if any) risk exposure in the total return swap transactions.
- (6) The reasonableness of the estimated man-days/man-hours for provision of supporting services will be verified by the Group's independent departments (e.g. internal audit department, finance department).
- (7) On a yearly basis, the auditors submit a letter to the Board confirming that the Continuing Connected Transactions:
- (i) have received the approval of the listed issuer's board of directors;
  - (ii) are, in all material respects, in accordance with the pricing policies of the listed issuer if the transactions involve provision of goods or services by the listed issuer;
  - (iii) have been entered into, in all material respects, in accordance with the relevant agreement(s) governing the transactions; and
  - (iv) have not exceeded the cap disclosed in previous announcement(s).

The independent non-executive Directors will conduct an annual review with respect to the continuing connected transactions of the Group throughout the preceding financial year and confirm in the annual report of the Company whether the transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the agreement(s) governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The finance department of the Group will also collect statistics of each of the renewed Continuing Connected Transactions on a yearly basis to ensure the annual caps approved by the Independent Shareholders are not exceeded.

By implementing the above procedures, the Directors consider that the Group has established sufficient internal control reviewing and monitoring measures to ensure the pricing basis of each of the Continuing Connected Transactions will be on market terms and on normal commercial terms and will be fair and reasonable to the Group and the Shareholders as a whole.

## **INFORMATION ON THE GROUP AND THE SWHYG GROUP**

The Group is principally engaged in (i) brokerage business; (ii) corporate finance business; (iii) asset management business; (iv) financing and loans business; and (v) investment and other business.

The SWHYG Group is an investment banking group in the PRC. The A shares of SWHYG are listed on the Shenzhen Stock Exchange (Stock Code: 000166), and the H shares of SWHYG are listed on the Main Board of the Stock Exchange (Stock Code: 6806). The SWHYG Group is an investment holding group focused on securities businesses and mainly provides comprehensive financial services, including enterprise finance, personal finance, institutional services and trading, as well as investment management.

## **LISTING RULES AND IMPLICATIONS**

As SWHYG is deemed to be beneficially interested in 64.90% of the issued share capital of the Company and a substantial shareholder of the Company, SWHYG is a connected person of the Company under the Listing Rules. As such, the SWHYG Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since each of the asset ratio, the revenue ratio and the consideration ratio (as defined under Rule 14.07 of the Listing Rules) with reference to the largest Annual Cap in respect of the SWHYG Transactions in aggregate exceeds 5% and the amount of the largest Annual Cap for the SWHYG Transactions is more than HK\$10 million respectively, the 2025 SWHYG MOU is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

A Board resolution on 27 May 2025 and 29 July 2025 had approved, among other things, the 2025 SWHYG MOU. Among all the Directors, Ms. Wu Meng, Mr. Tan Weijun, Mr. Liang Jun and Mr. Hu Jing were considered to be materially interested in the SWHYG Transactions and they voluntarily abstained from voting on the relevant Board resolutions approving the 2025 SWHYG MOU and related matters.

## **GENERAL**

Somerley Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the terms of the Continuing Connected Transactions.

To deal with the Continuing Connected Transactions, the Independent Board Committee, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and whether the terms of the Continuing Connected Transactions and the Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Somerley Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. The Independent Board Committee will advise the Independent Shareholders on how to vote at the EGM on the resolutions in respect of the Continuing Connected Transactions and the Annual Caps, after taking into account the recommendations of the Independent Financial Adviser.

A circular containing, among other things, (i) further details of the Continuing Connected Transactions; (ii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders on the Continuing Connected Transactions and the Annual Caps; (iii) the recommendation of the Independent Board Committee regarding the Continuing Connected Transactions and the Annual Caps to the Independent Shareholders; and (iv) a notice of the EGM is expected to be despatched to the Shareholders on or before 12 August 2025.

Voting at the EGM will be conducted by poll. SWHYG and its associates shall abstain from voting at the EGM in respect of the Continuing Connected Transactions as well as the Annual Caps.

## **DEFINITIONS**

In this announcement, the following expressions shall have the meaning set out below unless the context requires otherwise:

|                           |   |
|---------------------------|---|
| “2022 SWHYG MOU”          | the memorandum of understanding entered into between the Company and SWHYG on 20 April 2022, details of which have been disclosed in the announcement of the Company dated 20 April 2022  |
| “2025 SWHYG MOU”          | the memorandum of understanding entered into between the Company and SWHYG on 5 August 2025   |
| “Annual Cap”              | each of the proposed annual cap amounts of the Continuing Connected Transactions for the four months ending 31 December 2025, each of the two years ending 31 December 2027 and the five months ending 31 May 2028, as set out in the paragraph headed “Annual Caps” in this announcement |
| “associate(s)”            | has the meaning ascribed to it under the Listing Rules  |
| “B-to-H Share Conversion” | conversion of B shares (shares denominated in RMB, subscribed and traded in foreign currencies on the stock exchanges in the PRC) to H shares (foreign shares registered in the PRC and traded on The Stock Exchange of Hong Kong Limited) of companies established in the PRC            |

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|-------------------------------------|--|
| “Board”                             | the board of Directors of the Company  |
| “Bond Connect”                      | a mutual market access scheme that allows investors from Mainland China and overseas to trade in each other’s bond markets through connection between the related Mainland and Hong Kong financial infrastructure institutions   |
| “Company”                           | Shenwan Hongyuan (H.K.) Limited  |
| “connected person(s)”               | has the meaning ascribed to it under the Listing Rules   |
| “Continuing Connected Transactions” | SWHYG Transactions   |
| “Cross-boundary WMC”                | a cross-boundary wealth management connect scheme in the Guangdong-Hong Kong-Macao Greater Bay Area, which was launched in September 2021, is one of the key initiatives that facilitates mutual market access between Hong Kong, Macao and the Mainland   |
| “Director(s)”                       | the director(s) of the Company   |
| “EGM”                               | the extraordinary general meeting of the Company to be convened for the purpose of, among other things, approving the 2025 SWHYG MOU and the transactions contemplated thereunder, as well as the Annual Caps  |
| “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 PRC   |
| “Independent Board Committee”       | the independent board committee, comprising all the independent non-executive Directors, namely Mr. Kwok Lam Kwong Larry, Mr. Liu Chijin and Ms. Chiu Lai Kuen Susanna formed to advise the Independent Shareholders in relation to the terms of the 2025 SWHYG MOU and the transactions contemplated thereunder, as well as the Annual Caps |

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| “Independent Financial Adviser” or “Somerley Capital”    | Somerley Capital Limited, a corporation licensed to conduct type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders with regard to the 2025 SWHYG MOU and the transactions contemplated thereunder |
| “Independent Shareholders”                               | Shareholders who are not required to abstain from voting on the relevant matters at the EGM  |
| “Listing Rules”  | Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited   |
| “Mainland-Hong Kong Mutual Recognition of Fund Programs” | a mutual recognition fund platform for Hong Kong-domiciled funds to be sold in the PRC and for funds from the PRC to be sold in Hong Kong (subject to relevant authorities’ approvals)   |
| “Offshore Investors Schemes”                             | the schemes under which offshore investors are permitted to invest directly in the PRC capital markets (subject to relevant authorities’ approvals)  |
| “Onshore Investors Schemes”                              | the schemes under which the PRC onshore investors are permitted to invest directly in Hong Kong and overseas capital markets (subject to relevant authorities’ approvals)  |
| “PRC” or “China”   | the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan   |
| “Previous Annual Caps”                                   | the maximum aggregate annual value of various payments receivable from, or payable to the SWHYG Group arising from the continuing connected transactions under the 2022 SWHYG MOU  |
| “QDII”   | the qualified domestic institutional investors program of the PRC, a program which allows either licensed domestic institutional investors or qualified domestic investors to invest in capital markets outside the PRC (for example Hong Kong) through institutions that have obtained QDII status  |
| “QDII 2”   | the new qualified domestic institutional investors program of the PRC (subject to relevant authorities’ approvals)   |

|                                    |  |
|------------------------------------|--|
| “QFII”                             | the qualified foreign investors program of the PRC, a program which allows qualified foreign institutional investors and RMB qualified foreign institutional investors to invest in China’s securities and futures markets with funds raised overseas which have been approved by China Securities Regulatory Commission |
| “RMB”                              | Renminbi, the lawful currency of the PRC   |
| “RQDII”                            | the RMB qualified domestic institutional investors scheme of the PRC, a program which allows either licensed domestic institutional investors or qualified domestic investors to invest in the capital markets outside the PRC through institutions that have obtained RQDII status                                      |
| “Shanghai-Hong Kong Stock Connect” | a cross-boundary investment channel that connects the Shanghai Stock Exchange and the Stock Exchange   |
| “Shareholders”                     | shareholders of the Company  |
| “Shenzhen-Hong Kong Stock Connect” | a cross-boundary investment channel that connects the Shenzhen Stock Exchange and the Stock Exchange   |
| “Stock Exchange”                   | The Stock Exchange of Hong Kong Limited  |
| “substantial shareholder(s)”       | has the meaning ascribed to it under the Listing Rules   |
| “SWHYG”                            | Shenwan Hongyuan Group Co., Ltd., a joint stock company incorporated under the laws of the PRC, the A shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 000166) and the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6806)                                     |
| “SWHYG Group”                      | SWHYG and its subsidiaries   |
| “SWHYG Transactions”               | transactions arising from the cooperation between the SWHYG Group and the Group pursuant to the 2025 SWHYG MOU   |

“Takeovers Code”

The Code on Takeovers and Mergers

“%”

per cent.

By order of the Board

**Shenwan Hongyuan (H.K.) Limited**

**Liang Jun**

*Executive Director and Chief Executive Officer*

Hong Kong, 5 August 2025

*As at the date of this announcement, the Board of the Company comprises nine Directors, of which Ms. Wu Meng, Mr. Tan Weijun, Mr. Liang Jun and Mr. Hu Jing are Executive Directors; Mr. Zhang Lei and Ms. Zhang Ying are Non-executive Directors; Mr. Kwok Lam Kwong Larry, Mr. Liu Chijin and Ms. Chiu Lai Kuen Susanna are Independent Non-executive Directors.*