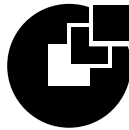

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this document or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Shenyin Wanguo (H.K.) Limited, you should at once hand this document and the accompanying form of proxy to the purchaser or to the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



SHENYIN WANGUO (H.K.) LIMITED
申銀萬國（香港）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 218)

**PROPOSALS INVOLVING
RE-ELECTION OF DIRECTORS
AND
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

A notice convening the Annual General Meeting of the Company to be held at the Dragon Room, The Hong Kong Bankers Club at 43rd Floor, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong on Friday, 27 May 2005 at 9:00 a.m. is included in the 2004 Annual Report. Whether or not you are able to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Company's registered office at 28th Floor, Citibank Tower, Citibank Plaza, 3 Garden Road, Central, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting. Completion of the proxy form will not preclude you from attending and voting at the meeting if you so wish.

22 April 2005

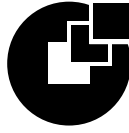
DEFINITIONS

In this document, unless the context otherwise requires, the following expressions have the following meanings:–

“Annual General Meeting”	the annual general meeting of the Company to be held at the Dragon Room, The Hong Kong Bankers Club at 43rd Floor, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong on 27 May 2005 at 9:00 a.m.
“Articles of Association”	the Articles of Association of the Company
“Board”	the Directors from time to time of the Company or (as the context may require) the majority of Directors present and voting at a meeting of the Directors
“Company”	Shenyin Wanguo (H.K.) Limited, whose shares are listed on the Stock Exchange
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Director(s)”	director(s) of the Company
“General Mandate”	the general authority to the Directors to allot, issue and deal with shares in accordance with the terms set out in Ordinary Resolutions 5 and 7 in the notice convening the Annual General Meeting dated 22 April 2005
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region.
“Latest Practicable Date”	19 April 2005, being the latest practicable date prior to the printing of this document
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Repurchase Mandate”	the authority to the Directors to exercise all the powers of the Company to repurchase shares of the Company in accordance with the terms set out in Ordinary Resolution 6 in the notice convening the Annual General Meeting dated 22 April 2005
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.50 each in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers



SHENYIN WANGUO (H.K.) LIMITED
申銀萬國（香港）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 218)

Directors:

Executive

Feng Guorong (*Chairman*)

Lu Wenqing

Lee Man Chun Tony (*Chief Executive Officer*)

Guo Chun

Ying Niankang

Registered Office:

28th Floor

Citibank Tower

Citibank Plaza

3 Garden Road

Central

Hong Kong

Non-executive

Chang Pen Tsao

Qu Zihai

Independent Non-executive

Ng Wing Hang Patrick

Kwok Lam Kwong Larry

Zhuo Fumin

22 April 2005

To the Shareholders

Dear Sirs or Madam

**PROPOSALS INVOLVING
RE-ELECTION OF DIRECTORS
AND
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

INTRODUCTION

The purpose of this circular is to give you information regarding the following resolutions to be proposed at the Annual General Meeting to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions.

The resolutions include (i) re-election of Directors; (ii) granting to the Directors a general and unconditional mandate (a) to issue further shares representing up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution, and (b) to issue shares not exceeding the aggregate nominal amount of share capital repurchased pursuant to the Repurchase Mandate; and (iii) granting to the Directors the Repurchase Mandate.

RE-ELECTION OF DIRECTORS

Article 95 of the Articles of Association provides that the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting. Accordingly, Mr Zhuo Fumin, being an Independent Non-executive Director appointed by the Board on 30 September 2004, shall hold office until the Annual General Meeting and he is eligible for re-election pursuant to Article 95 of the Articles of Association.

According to Article 104 of the Articles of Association, at each annual general meeting one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office, provided that no Director holding office as executive chairman or as a managing director shall be subject to retirement by rotation or taken into account in determining the number of Directors to retire. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election. Accordingly, Mr Feng Guorong, being the Chairman and one of the Executive Directors of the Company, shall not be subject to retirement by rotation or be taken into account in determining the number of Directors to retire at the Annual General Meeting.

Of the remaining eight Directors, Mr Lu Wenqing, Mr. Lee Man Chun Tony, Mr Guo Chun, Mr Ying Niankang, Mr Chang Pen Tsao, Mr Qu Zihai, Mr Ng Wing Hang Patrick and Mr Kwok Lam Kwong Larry shall be subject to rotation. As Mr Guo Chun and Mr Chang Pen Tsao have been longest in office since their last re-election or appointment, they shall retire at the conclusion of the Annual General Meeting. Mr Guo Chun and Mr Chang Pen Tsao are eligible for re-election.

Brief biography, as at the Latest Practicable Date, of each of the Directors to be re-elected at the Annual General Meeting is set out below:

Zhuo Fumin, aged 54, was appointed as an Independent Non-executive Director in September 2004. He graduated from Shanghai Jiaotong University's Electrical Engineering School with a Degree in Enterprise Management, and holds a Master's Degree in Economics conferred by Fudan

University. Mr Zhuo has more than 29 years of experience in running joint stock companies and corporate management and has extensive capital market experience since 1995. Mr Zhuo also serves as a director in Vertex China Investment Limited in Hong Kong and China. Within the past three years, Mr Zhuo was an executive director of SIIC Medical Science and Technology (Group) Limited, the Vice Chairman and an executive director of Shanghai Industrial Holdings Limited as well as a non-executive director of Imagi International Holdings Limited until he resigned on 25 January 2002, 30 June 2002 and 8 April 2004 respectively.

Mr. Zhuo does not have any relationship with any other Director, senior management or substantial shareholder of the Company.

Mr. Zhuo does not have interests in the Shares of the Company within the meaning of Part XV of the SFO. In addition, there is no service contract between the Company and Mr. Zhuo. The emoluments of the Directors are determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions. Mr. Zhuo received a sum of HK\$50,000.00 being remuneration in respect of his directorship in the Company for the year ended 31 December 2004. Save as disclosed above, there are not any other matters that need to be brought to the attention of the Shareholders.

Guo Chun, aged 40, was appointed as an Executive Director of the Company in May 2000. He began his career with the Industrial & Commercial Bank of China, Shanghai Branch in 1983. Other than the banking business, he has been working in the securities industry of the People's Republic of China ("PRC") since 1987. In 1990, he joined the former Shanghai Shenyn Securities Co., Ltd. He has had more than 10 years' extensive experience in stockbroking and investment banking in the PRC and served as a regional superintendent in Shanghai. He was appointed as the Deputy Managing Director of Shenyn Wanguo (H.K.) Holdings Limited on secondment to Hong Kong in early 1997 after the merger of Shanghai Shenyn Securities Co., Ltd. and Shanghai International Securities Co., Ltd. He holds a Master's Degree in Business Administration from Murdoch University, Perth, Australia.

He also holds directorships in certain wholly owned subsidiaries of the Company. Save as disclosed above, Mr. Guo does not have any relationship with any other Director, senior management or substantial shareholder of the Company.

Mr. Guo does not have interests in the Shares of the Company within the meaning of Part XV of the SFO. In addition, there is no service contract between the Company and Mr. Guo. The emoluments of the Directors are determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions. Mr. Guo did not receive any remuneration in respect of his directorship in the Company for the year ended 31 December 2004. Save as disclosed above, there are not any other matters that need to be brought to the attention of the Shareholders.

Chang Pen Tsao, aged 66, is a Non-executive Director of the Company. He is the Founder and Chairman of Taiwan International Securities Group, Global Securities Finance Corp., The Business Development Foundation of The Chinese Straits, Unitech Electronics Corp, Fulltech Fiber Glass Corp. and Ideal Bike Corp. He served as a Senator in Taiwan for 9 years and was the Chairman of Kwang Hua Securities Investment & Trust Co., Ltd. He has more than 20 years' experience in legal practice as a lawyer, prosecutor and district judge, as well as in business management, and has more than 10 years' experience in securities investment. He received his L.L.B. Degree from Chung Hsin University, Taiwan in 1967.

Mr. Chang does not have any relationship with any other Director, senior management or substantial shareholder of the Company.

Mr. Chang does not have interests in the Shares of the Company within the meaning of Part XV of the SFO. In addition, there is no service contract between the Company and Mr. Chang. The emoluments of the Directors are determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions. Mr. Chang did not receive any remuneration in respect of his directorship in the Company for the year ended 31 December 2004. Save as disclosed above, there are not any other matters that need to be brought to the attention of the Shareholders.

GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, it will be proposed that the Directors be granted a general mandate to allot, issue and deal with Shares not exceeding 20 per cent of the issued share capital of the Company as at the date when the relevant ordinary resolution is passed. The total number of Shares subject to the General Mandate will be increased by the addition thereto of any Shares repurchased by the Company under the proposed Repurchase Mandate.

REPURCHASE MANDATE

The Repurchase Mandate will enable the Directors to exercise all the powers of the Company to repurchase its own Shares at any time until the earlier of the conclusion of the next annual general meeting (unless the mandate is renewed at such meeting), the expiration of the period within which the next annual general meeting is required by the Articles of Association or by law to be held, and the revocation or variation of the authority given under the Repurchase Mandate by an ordinary resolution of Shareholders in general meeting. The total number and description of Shares which may be repurchased pursuant to the Repurchase Mandate is limited to a maximum of 10 per cent of the issued share capital of the Company as at the date when the Repurchase Mandate is granted.

Exercise of The Repurchase Mandate

As at the Latest Practicable Date, the issued share capital of the Company was 530,759,126 Shares.

Subject to the passing of the ordinary resolution to approve the Repurchase Mandate, and on the basis that no further Shares will be issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to purchase a maximum of 53,075,912 Shares.

Reasons for Repurchases

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share of the Company and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

Funding of Repurchases

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and Articles of Association and the laws of Hong Kong.

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Group. However, there might be an adverse impact on the working capital requirements of the Company (as compared with the position disclosed in its latest published audited consolidated financial statements) in the event that the Repurchase Mandate is exercised in full.

Share Prices

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in the previous twelve months from 1 April 2004 to 31 March 2005 were as follows:

Share Price	Highest	Lowest
	HK\$	HK\$
2004		
April	1.02	0.78
May	0.85	0.66
June	0.89	0.71
July	0.80	0.72
August	0.74	0.68
September	0.84	0.72
October	0.74	0.64
November	0.93	0.67
December	0.88	0.75
2005		
January	0.84	0.77
February	0.86	0.75
March	0.84	0.74

Disclosure of Interests

- (a) As at the Latest Practicable Date, the following interests of 5% or more of the issued Shares were recorded in the register kept by the Company pursuant to Sections 336 (1) and (2) of the SFO:—

Name of Shareholder	Number of Shares held	
	Direct	Indirect
Shenyin Wanguo Holdings (B.V.I.) Limited	268,334,875	—
Venture-Some Investments Limited	—	268,334,875*
Shenyin Wanguo (H.K.) Holdings Limited	—	268,334,875*
Shenyin & Wanguo Securities Co., Ltd.	2,045,000	268,334,875*

* These companies had interests in 268,334,875 Shares by virtue of their equity interests in Shenyin Wanguo Holdings (B.V.I.) Limited.

Save for the foregoing Shareholders, as at the Latest Practicable Date, no other person or company was recorded in the register kept by the Company pursuant to Sections 336 (1) and (2) of the SFO as having an interest in 5% or more of the issued Shares and short positions.

- (b) None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) has any present intention to sell Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.
- (c) No connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell the Shares to the Company, or have undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

Directors' Undertaking

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Listing Rules and the laws of Hong Kong.

Share Repurchases made by the Company

No repurchases of the Shares were made by the Company, whether on the Stock Exchange or otherwise, in the previous six months.

Takeovers Code Consequences

If, as a result of a repurchase of the Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

In the event that the Repurchase Mandate is exercised in full, the same block of interests of Shenyin Wanguo Holdings (B.V.I.) Limited, Venture-Some Investments Limited and Shenyin Wanguo (H.K.) Holdings Limited in the issued Shares would rise to approximately 56.17% as compared with 50.56% as at the Latest Practicable Date and the interest of Shenyin & Wanguo Securities Co. Ltd. would increase from 50.94% to 56.6% approximately. Therefore, none of the aforesaid Shareholders shall by themselves be subject to any obligations under Rule 26 of the Takeovers Code. The Directors are not aware of any Shareholder, or any group of Shareholders acting in concert, who may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code in the event that the Directors exercise the power to repurchase Shares pursuant to the Repurchase Mandate.

RIGHT TO DEMAND A POLL

Pursuant to Article 75 of the Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:–

- (a) by the Chairman of the meeting; or
- (b) by at least three members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by a member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded and not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

RECOMMENDATION

The Directors believe that the re-election of Directors, the General Mandate and the Repurchase Mandate are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of all the relevant resolutions to be proposed in the Annual General Meeting as they intend to do themselves in respect of the Shares controlled by them.

Yours faithfully
On behalf of the Board
Feng Guorong
Chairman