
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in the Company, you should at once hand this prospectus and the accompanying PAL (as defined) and EAF (as defined) to the purchaser(s) or transferee(s) or to the bank, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

A copy of this prospectus, together with copies of the PAL and the EAF, and (where applicable) the document specified in the paragraph headed "Documents Delivered to the Registrar of Companies" in Appendix III to this prospectus have been registered by the Registrar of Companies in Hong Kong as required under Section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as defined). The Registrar of Companies in Hong Kong, the Stock Exchange and the SFC (as defined) take no responsibility as to the contents of any of these documents.

Subject to the granting of the listing of and permission to deal in the Nil Paid Rights (as defined) and the Rights Shares (as defined) on the Stock Exchange (as defined) as well as compliance with the stock admission requirements of HKSCC (as defined), the Nil Paid Rights and the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS (as defined) with effect from the respective commencement dates of dealings in the Nil Paid Rights and the Rights Shares or such other dates 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this prospectus, the PAL and the EAF, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of these documents.

Dealing in securities of the Company, the Nil Paid Rights and the Rights Shares may be settled through CCASS and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

The attention of Shareholders (as defined) with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or holding shares on behalf of Beneficial Owners (as defined) with such addresses is drawn to the paragraph headed "Non-Qualifying Shareholders" in the "Letter from the Board" in this prospectus.

The securities described in this prospectus have not been registered under the US Securities Act (as defined) or the laws of any state in the United States (as defined), and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the US Securities Act and applicable state laws. There is no intention to register any portion of the Rights Shares or any securities described in this prospectus in the United States or to conduct a public offering of securities in the United States.

Distribution of this prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this prospectus comes should inform themselves of and observe any such restrictions. This prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States. This prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Nil Paid Rights or Rights Shares or to take up any entitlements to the Nil Paid Rights or Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.



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)

RIGHTS ISSUE OF RIGHTS SHARES AT THE RIGHTS ISSUE PRICE OF HK\$2.342 EACH ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE

Underwriter of the Rights Issue



Shenyin Wanguo (H.K.) Holdings Limited

The Latest Time for Acceptance of and payment for the Rights Shares is 4:00 p.m. on Thursday, 8 January 2015. The procedures for application of Rights Shares are set out in the paragraph headed "Procedures for acceptance and payment or transfer" on pages 19 to 21 of this prospectus.

It should be noted that the Underwriter may, upon giving notice in writing to the Company, terminate the Underwriting Agreement (as defined) with immediate effect at any time prior to the Latest Time for Termination, upon the occurrence of certain events, including force majeure events. These events are set out in the section headed "Termination of the Underwriting Agreement" on pages 32 to 33 of this prospectus. If the Underwriter exercises such right, the Rights Issue will not proceed. Upon the giving of written notice of termination, all the obligations of the Underwriter and the Company under the Underwriting Agreement shall cease and no party shall have any claim against any other for costs, damages, compensation or otherwise (save in respect of certain rights and obligations under the Underwriting Agreement, including rights of the parties thereto in respect of any antecedent breach).

Shareholders should note that the existing Shares have been dealt in on an ex-rights basis from Thursday, 11 December 2014. The Nil Paid Rights will be dealt in from Tuesday, 23 December 2014 to Monday, 5 January 2015 (both days inclusive). If, prior to the Latest Time for Termination, the Underwriter terminates the Underwriting Agreement or if the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" in the "Letter from the Board" in this prospectus are otherwise not fulfilled, the Rights Issue will not proceed.

Any dealings in the Shares from the date of this prospectus up to the date on which the conditions of the Rights Issue are fulfilled, which is currently expected to be 4:00 p.m. on Tuesday, 13 January 2015, and any dealings in the Nil Paid Rights from Tuesday, 23 December 2014 to Monday, 5 January 2015 (both days inclusive) are accordingly subject to the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the Nil Paid Rights, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

NOTICE

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed, in which case, a further announcement will be made by the Company at the relevant time. It should be noted that the existing Shares have been dealt in on an ex-rights basis from Thursday, 11 December 2014, and the Nil Paid Rights will be dealt in from Tuesday, 23 December 2014 to Monday, 5 January 2015 (both days inclusive). Such dealings will take place when the conditions of the Rights Issue remain unfulfilled. Any person dealing in the securities of the Company up to the date on which such conditions are fulfilled and any person dealing in the Nil Paid Rights from Tuesday, 23 December 2014 to Monday, 5 January 2015 (being the first and last day of dealings in the Nil Paid Rights, respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the Nil Paid Rights, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS WITH REGISTERED ADDRESSES IN JURISDICTIONS OUTSIDE HONG KONG AND NEITHER IS THE RIGHTS ISSUE BEING MADE TO INVESTORS WHO ARE LOCATED OR RESIDING IN ANY OF THE JURISDICTIONS OUTSIDE HONG KONG, UNLESS AN OFFER OF RIGHTS SHARES AND NIL PAID RIGHTS INTO SUCH JURISDICTIONS COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER LEGAL OR REGULATORY REQUIREMENTS OR THE OFFER IS MADE IN RELIANCE ON ANY EXEMPTION OR WHERE COMPLIANCE IS NOT UNDULY BURDENSOME. This prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Nil Paid Rights or fully-paid Rights Shares or to take up any entitlements to the Nil Paid Rights or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. None of the Nil Paid Rights, the fully-paid Rights Shares, this prospectus, the PAL and the EAF will be registered under the securities laws of any of the jurisdictions other than in Hong Kong and none of the Nil Paid Rights, the fully-paid Rights Shares, this prospectus, the PAL and the EAF will qualify for distribution under any of the relevant securities laws of any of the jurisdictions outside Hong Kong (other than pursuant to any applicable exceptions as agreed by the Company). Accordingly, the Nil Paid Rights and the fully-paid Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any of the jurisdictions outside Hong Kong absent registration or qualification under the respective securities laws of such jurisdictions, or exemption from the registration or qualification requirements under applicable rules of such jurisdictions.

NOTICE

Shareholders with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or who hold Shares on behalf of persons with such addresses should refer to the paragraph headed “Non-Qualifying Shareholders” under the section headed “Letter from the Board” of this prospectus.

Each person acquiring the Nil Paid Rights and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his acquisition of the Nil Paid Rights and/or Rights Shares to confirm, that he is aware of the restrictions on offers and sales of the Nil Paid Rights and/or Rights Shares described in this prospectus.

As at the Latest Practicable Date, there are certain Overseas Shareholders with registered addresses in the Australia, Canada, Indonesia, Macau, Malaysia, Singapore and US. The Directors have, in compliance with Rule 13.36(2)(a) of the Listing Rules, made enquiries regarding the legal restrictions under the laws of the above-listed countries and the requirements of the regulatory bodies or stock exchanges of the above-listed countries with respect to the offer of Rights Shares to such Overseas Shareholders.

The Directors have decided to extend the Rights Issue to the Overseas Shareholders with registered addresses in Indonesia, Macau and Malaysia. However, the Directors have formed the view that it is necessary or expedient to exclude the Rights Issue from the Overseas Shareholders with registered addresses in Australia, Canada, Singapore and US due to the time and costs involved in complying with the relevant legal and regulatory requirements. As such, Overseas Shareholders with registered addresses in Indonesia, Macau and Malaysia, together with the Shareholders with registered addresses in Hong Kong, are Qualifying Shareholders, while Overseas Shareholders with registered addresses in Australia, Canada, Singapore and US are Non-Qualifying Shareholders for the purpose of the Rights Issue.

For a description of certain restrictions regarding the taking up of the Nil Paid Rights for, and the offering and sale of, the Rights Shares, see the notices below.

Notice relating to investors in Australia

The Nil Paid Rights and the Rights Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Nil Paid Rights and the Rights Shares may be issued in Australia. No draft or definitive offering memorandum, application form, advertisement, publication or other material that directly or indirectly refers to the offer or intended offer of any Nil Paid Rights and the Rights Shares, or that is likely to induce a person to apply for the offer may be distributed in Australia.

This prospectus does not constitute a disclosure document under Part 6D.2 of the Corporations Act 2001 (Cth) and will not be lodged with the Australian Securities and Investments Commission (ASIC) or ASX Limited.

NOTICE

Notice relating to investors in Canada

The Nil Paid Rights and the Rights Shares described in this prospectus are not being distributed to persons resident in Canada and may not be acquired by such persons except in compliance with applicable Canadian securities laws.

This prospectus is being provided to persons resident in Canada for information purposes only.

Notice relating to investors in Indonesia

No registration statement has been filed with the Financial Services Authority (Otoritas Jasa Keuangan – OJK) of the Republic of Indonesia and the securities described in this prospectus may not be offered or sold in Indonesia, in a manner which constitutes a public offering under the Indonesian Capital Market Law and its implementing regulations.

You are advised to exercise caution in relation to these offerings and the Rights Shares. If you are in doubt about any of the content of these offerings, you should obtain independent professional advice.

Notice relating to investors in Macau

There are no legal restrictions prohibiting the offering of the Rights Issue in Macau, nor is any local legal or regulatory compliance required to be made in this jurisdiction.

Notice relating to investors in Malaysia

No approval from the Securities Commission of Malaysia (“SC”) has been applied for or will be obtained for the making available, offer for subscription or purchase or invitation to subscribe for or purchase the Rights Shares in both nil-paid and fully-paid forms pursuant to the Rights Issue under the Capital Markets and Services Act 2007 of Malaysia (“CMSA”) as the offering of the Rights Shares in both nil-paid and fully-paid forms pursuant to the Rights Issue under this prospectus is a proposal which does not require SC’s approval under Schedule 5 of the CMSA.

No prospectus or other offering material or document in connection with the Rights Issue has been or will be registered with the SC pursuant to the CMSA as the offering of the Rights Shares in both nil-paid and fully-paid forms pursuant to the Rights Issue under this Prospectus is meant to qualify as an “excluded offer”, “excluded invitation” or “excluded issue” under Schedule 6 or Schedule 7 of the CMSA.

NOTICE

Nevertheless, pursuant to requirements under Section 229 or Section 230 of the CMSA, a copy of this prospectus and any other document or material to be issued, circulated, distributed or disseminated in Malaysia in connection with the issue or offer for sale, or invitation for acquisition of the Rights Issue, will be deposited with the SC within seven (7) days of their first issuance, circulation, distribution or dissemination in Malaysia.

Notice relating to investors in Singapore

In the event this prospectus is not registered with the Monetary Authority of Singapore, it and any other documents or material in connection with the offer or sale, or invitation for subscription or purchase, of the Nil Paid Rights and the Rights Shares may not be circulated or distributed, nor may the Nil Paid Rights and the Rights Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons who are Qualifying Shareholders and who are not Non-Qualifying Shareholders in Singapore, unless such person is:

- (a) an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA);
- (b) a relevant person pursuant to Section 275(1) of the SFA, or a person pursuant to Section 275(1A) of the SFA, and in each case, in accordance with the conditions specified in Section 275 of the SFA; or
- (c) a relevant person pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

The Nil Paid Rights and the Rights Shares subscribed for or purchased in Singapore shall not be transferable except in accordance with the terms of the SFA or an exemption therefrom and in accordance with any other applicable securities law requirements in Singapore.

Notice relating to investors in the US

This Prospectus may not be circulated, distributed, forwarded, delivered or redistributed, electronically or otherwise, to persons within the United States, and may not be relied upon as a basis for any investment decision or for any other purpose by any person within the United States, save as provided below. These materials do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Rights Shares in both nil-paid and fully-paid forms, the PALs and the EAFs have not been and will not be registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with applicable laws.

NOTICE

There will be no public offer of these securities in the United States. The Rights Shares (both in nil-paid and fully-paid forms), the PALs and the EAFs are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the US Securities Act. In addition, the Underwriter may arrange for the offer of the Rights Shares not taken up in the Rights Issue only outside the United States in offshore transactions in reliance on Regulation S under the US Securities Act. Each purchaser or subscriber of Rights Shares being offered and sold outside the United States will be deemed to have represented and agreed, among other things, that the purchaser or subscriber is acquiring the Rights Shares in an offshore transaction meeting the requirements of Regulation S under the US Securities Act.

In addition, until 40 days after the commencement of the Rights Issue, an offer, sale or transfer of the Rights Shares within the United States by a broker/dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the US Securities Act if such offer, sale or transfer is made otherwise than in compliance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

NOTICE

FORWARD-LOOKING STATEMENTS

All statements in this prospectus other than statements of historical fact are forward looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this prospectus include, without limitation, statements in respect of the Group’s business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this prospectus are based on management’s present expectations about future events. Management’s present expectations reflect numerous assumptions regarding the Group’s strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group’s actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this prospectus, be it as a result of new information, future events or otherwise.

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DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms shall have the following meanings:

“Announcement”	the announcement of the Company dated 28 November 2014 relating to the Rights Issue
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Beneficial Owner(s)”	any beneficial owner(s) of Shares whose Shares are registered as shown in the register of members of the Company in the name of a Registered Shareholder
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for business of dealings in securities
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	the date on which the obligations of the Underwriter under the Underwriting Agreement become unconditional, which is expected to be Tuesday, 13 January 2015 or such later date as the Company and the Underwriter may agree in writing
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Company”	Shenyin Wanguo (H.K.) Limited, a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“Despatch Date”	Friday, 19 December 2014 or such later date as may be agreed between the Company and the Underwriter for the despatch of the Prospectus Documents
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application issued for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such usual form as may be agreed between the Company and the Underwriter
“Final Acceptance Date”	4:00 p.m. on Thursday, 8 January 2015 (or such other date as the Underwriter may agree in writing with the Company as the latest date for acceptance of, and payment for, Rights Shares and application and payment for excess Rights Shares)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Intermediary”	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS participant or who has deposited the Beneficial Owner’s Shares with a CCASS participant
“Last Trading Day”	Friday, 28 November 2014, being the last full trading date for the Shares before the release of the Announcement
“Latest Lodging Date”	4:30 p.m. on Friday, 12 December 2014, the latest time for lodging transfer documents of the Shares in order to qualify for the Rights Issue

DEFINITIONS

“Latest Practicable Date”	12 December 2014, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained herein
“Latest Time for Acceptance”	the latest time for acceptance of, and payment for, the Rights Shares, which is expected to be 4:00 p.m. on the Final Acceptance Date
“Latest Time for Termination”	4:00 p.m. on the third Business Day following the Final Acceptance Date, or such later date as the Company and the Underwriter may agree in writing
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board of the Stock Exchange
“Nil Paid Rights”	rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) before the Rights Issue Price is paid
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) or such other person(s) whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) issued to the Qualifying Shareholders in connection with the Rights Issue
“PRC”	the People’s Republic of China

DEFINITIONS

“Prospectus Documents”	this prospectus, the PAL(s) and the EAF(s) proposed to be despatched to the Qualifying Shareholders on the Despatch Date and any such supplementary prospectus to be despatched to the Qualifying Shareholders (if required)
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholders (if any)
“Record Date”	Thursday, 18 December 2014, the record date to determine entitlements to the Rights Issue (or such other date as may be agreed between the Company and the Underwriter)
“Registered Shareholder”	in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorized custodian or third party which is the registered shareholder in the register of members of the Company of the Shares in which the Beneficial Owner is beneficially interested
“Registrar”	the share registrar of the Company, being Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Remaining Shares”	number of the Underwritten Shares not taken up
“Rights Issue”	the proposed issue of Rights Shares at the Rights Issue Price on the basis of one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents, payable in full upon acceptance
“Rights Issue Price”	HK\$2.342 per Rights Share
“Rights Share(s)”	the new Share(s) to be issued and allotted under the Rights Issue, being 265,379,563 Shares
“Settlement Date”	Tuesday, 13 January 2015, being the third Business Day following the Final Acceptance Date (or such other time or date as the Underwriter and the Company may agree in writing) as the day for settlement of the Rights Issue

DEFINITIONS

“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the holder(s) of issued Share(s)
“Share(s)”	ordinary share(s) of the Company with no par value
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SWHBVI”	Shenyin Wanguo Holdings (B.V.I.) Limited, a company incorporated in the British Virgin Islands, being a controlling shareholder of the Company as at the date of this prospectus
“SWHKH”	Shenyin Wanguo (H.K.) Holdings Limited, a company incorporated in Hong Kong with limited liability and the controlling shareholder of the Company, wholly-owned VSI as at the date of this prospectus
“taken up/take up”	the taking up of those Rights Shares and/or the Underwritten Shares in respect of which the relevant PALs and/or EAFs which have been lodged, accompanied by cheques or other remittances, for the full amount payable in respect thereof
“Underwriter”	SWHKH
“Underwriting Agreement”	the underwriting agreement dated 28 November 2014 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	all of the Rights Shares, other than the Rights Shares that are provisionally allotted to SWHBVI and SWHKH as shareholders of the Company
“US Securities Act”	the US Securities Act of 1933, as amended

DEFINITIONS

“United States” or “US” or “U.S.” or “U.S.A.”	the United States of America (including its territories and possessions, any state in the US and the district of Columbia)
“VSI”	Venture-Some Investments Limited, a company incorporated in the British Virgin Islands and the controlling shareholder of the Company, owned 50.52% interest in SWHBVI as at the date of this prospectus
“%”	percentage or per centum

EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

2014/2015

First day of dealing in Nil Paid Rights	9:00 a.m. on Tuesday, 23 December
Latest time for splitting Nil Paid Rights	4:30 p.m. on Tuesday, 30 December
Last day of dealing in Nil Paid Rights	Monday, 5 January
Latest Time for Acceptance of and payment for Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Thursday, 8 January
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Tuesday, 13 January
Announcement of the results of the Rights Issue to be posted on the Stock Exchange's and the Company's websites on or before	Friday, 16 January
Refund cheques for wholly and partially unsuccessful excess applications to be posted on or around	Monday, 19 January
Share certificates for fully-paid Rights Shares to be posted on or around.	Monday, 19 January
Dealing in Rights Shares in fully-paid form commences	9:00 a.m. on Tuesday, 20 January

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

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is:

1. a tropical cyclone warning signal number 8 or above, or
2. a “black” rainstorm warning
 - (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Final Acceptance Date. Instead the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Final Acceptance Date. Instead the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 12:00 noon and 4:00 p.m.

If the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Final Acceptance Date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with and, subject to, the full text of this prospectus.

RIGHTS ISSUE

A summary of the Rights Issue is set out below:

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares held on the Record Date
Number of existing Shares in issue as at the Latest Practicable Date	:	530,759,126 Shares
Number of Rights Shares	:	265,379,563 Rights Shares (assuming no new Shares are issued (other than Rights Shares) and no buy-back of Shares on or before the Record Date)
Rights Issue Price	:	HK\$2.342 per Rights Share
Underwriter	:	SWHKH
Enlarged issued share capital upon completion of the Rights Issue	:	796,138,689 Shares (assuming no new Shares are issued (other than Rights Shares) and no buy-back of Shares on or before the completion of Rights Issue)
Excess applications	:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

TERMINATION OF THE UNDERWRITING AGREEMENT

Termination of the Underwriting Agreement

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company by the Underwriter at any time prior to 4:00 p.m. on the Settlement Date if there occurs:–

- (a) an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
- (b) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or currency (including any disruption to trading generally or trading in any securities of the Company on any stock exchange, or a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict; or
- (c) any act of God, fire, flood, explosion, epidemic, earthquake, nuclear or natural disaster, war, act of terrorism, riot, public disorder, civil commotion, strike or lock-out; or
- (d) any suspension or a material limitation in trading in securities generally on the Stock Exchange, or a general moratorium on commercial banking activities in Hong Kong declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong;

and in the absolute opinion of the Underwriter, such change could have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

If, at or prior to 4:00 p.m. on the Settlement Date:

- (a) the Company commits any material breach of or omits to observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under the Underwriting Agreement; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (b) the Underwriter shall receive notification pursuant to the Underwriting Agreement, or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue, inaccurate or misleading, or would be untrue, inaccurate or misleading if repeated as provided in the Underwriting Agreement; or
- (c) the Company shall, after any matter or event referred to in the Underwriting Agreement has occurred or come to the Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Underwriter may request for the purpose of preventing the creation of a false market in the securities of the Company;

the Underwriter shall be entitled (but not bound) by notice in writing issued by the Underwriter to the Company to elect to treat such matter or event as releasing and discharging the Underwriter from their obligations under this Agreement.

In the event the Underwriter exercises its rights to terminate the Underwriting Agreement prior to the Latest Time for Termination, all obligations of the Underwriter hereunder shall cease and determine and none of the parties hereto shall have any claim against the other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (save in respect of any antecedent breaches and claims).

If the Underwriter exercises such right, the Rights Issue will not proceed. A further announcement will be made if the Underwriting Agreement is terminated by the Underwriter.

LETTER FROM THE BOARD



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)

Board of Directors:

Executive Directors

Mr. CHU Xiaoming (*Chairman*)

Mr. LU Wenqing

Mr. GUO Chun (*Chief Executive Officer*)

Mr. LEE Man Chun Tony

Registered Office:

Level 19

28 Hennessy Road

Hong Kong

Non-executive Director

Mr. ZHANG Lei

Independent Non-executive Directors

Mr. NG Wing Hang Patrick

Mr. KWOK Lam Kwong Larry

Mr. ZHUO Fumin

19 December 2014

To the Qualifying Shareholders

Dear Sirs/Madams,

**RIGHTS ISSUE AT THE RIGHTS ISSUE PRICE OF HK\$2.342 EACH
ON THE BASIS OF ONE RIGHTS SHARE
FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE**

INTRODUCTION

The Company proposes to raise approximately HK\$621.5 million before expenses by way of a rights issue of approximately 265,379,563 Rights Shares to the Qualifying Shareholders on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Rights Issue Price of HK\$2.342 per Rights Share.

LETTER FROM THE BOARD

The purpose of this prospectus is to provide you with further information about the Rights Issue, including information on dealings, transfers and acceptance of the Rights Shares, and financial information and other information of the Group.

RIGHTS ISSUE

Rights Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares held on the Record Date
Number of existing Shares in issue as at the Latest Practicable Date	:	530,759,126 Shares
Number of Rights Shares	:	265,379,563 Rights Shares (assuming no new Shares are issued (other than Rights Shares) and no buy-back of Shares on or before the Record Date)
Rights Issue Price	:	HK\$2.342 per Rights Share
Underwriter	:	SWHKH
Enlarged issued share capital upon completion of the Rights Issue	:	796,138,689 Shares (assuming no new Shares are issued (other than Rights Shares) and no buy-back of Shares on or before the completion of Rights Issue)
Excess applications	:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

Assuming no new Shares are issued (other than the Rights Shares) and no buy-back of Shares on or before the Record Date, the 265,379,563 Rights Shares proposed to be provisionally allotted represent approximately 50% of the Company's issued share capital as at the Record Date and approximately 33.33% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue.

As at the Latest Practicable Date, the Company has no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into or confer any right to subscribe for Shares.

LETTER FROM THE BOARD

Rights Issue Price

The Rights Issue Price for the Rights Shares is HK\$2.342 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of Rights Shares or, where applicable, application for excess Rights Shares under the Rights Issue or when a renounee of any provisional allotment of the Rights Shares or a transferee of Nil Paid Rights applies for the Rights Shares.

The Rights Issue Price represents:

- (a) a discount of approximately 52.11% to the closing price of HK\$4.89 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 51.05% to the average closing price of approximately HK\$4.784 per Share for the five consecutive trading days up to and including the Last Trading Day;
- (c) a discount of approximately 48.49% to the average closing price of HK\$4.547 per Share for the ten consecutive trading days up to and including the Last Trading Day;
- (d) a discount of approximately 42.04% to the theoretical ex-rights price of approximately HK\$4.041 per Share based on the closing price of HK\$4.89 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (e) a discount of approximately 0.51% to the unaudited consolidated net asset value attributable to equity holders of the Company per Share as at 30 June 2014 of approximately HK\$2.354; and
- (f) a discount of approximately of 72.38% to the closing price of HK\$8.48 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

Each Rights Shares has no par value.

The Rights Issue Price was determined by the Directors with reference to the market price of the Shares prior to and including the Last Trading Day, the net assets value per Share as at 31 December 2013 of the Company and the current market conditions. Each Qualifying Shareholder will be entitled to subscribe for Rights Shares at the Rights Issue Price in proportion to his/her/its shareholding on the Record Date.

The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Rights Issue Price (and the discounts to the relative values indicated above) to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares with the Registrar on or before the Final Acceptance Date.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank pari passu with the then existing Shares in issue in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares.

Fractions of the Rights Shares

The Company will not provisionally allot and will not accept applications for any fractions of Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and all Nil Paid Rights arising from such aggregation will be sold in the market and the proceeds will be retained by the Company for its own benefit, if a premium (net of expenses and stamp duty) can be obtained. Any such unsold aggregated fractions of Nil Paid Rights will be made available for excess application by the Qualifying Shareholders. No odd lot matching services will be provided.

Qualifying Shareholders

The Company will send the Prospectus Documents to Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company on the Record Date; and
2. not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company on the Record Date, the Shareholders must have already lodged any transfer documents of the Shares (together with the relevant share certificates) with the Registrar, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Friday, 12 December 2014.

LETTER FROM THE BOARD

The Company will send the Prospectus Documents to the Qualifying Shareholders on Friday, 19 December 2014. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send copies of this prospectus to the Non-Qualifying Shareholders, for their information only but will not send any PAL or EAF to them.

Qualifying Shareholders who take up their pro rata entitlement in full under the Rights Issue will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Non-Qualifying Shareholders

The Prospectus Documents have not been and will not be registered under the applicable securities legislation of any jurisdictions other than Hong Kong.

Arrangements have been made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the Rights Shares in nil-paid form commence on the Stock Exchange and in any event before the last day for dealings in the Rights Shares in nil-paid form if a premium (net of expenses) can be obtained. Proceeds of such sale, less expenses and stamp duty, above HK\$100 will be paid to the relevant Non-Qualifying Shareholders in Hong Kong dollars (pro rata to their shareholdings). The Company will retain individual amounts of HK\$100 or less than HK\$100 for the benefit of the Company. Any unsold entitlements of the Non-Qualifying Shareholders will be available for excess application on the EAF by the Qualifying Shareholders.

As at the Latest Practicable Date, there are certain Overseas Shareholders with registered addresses in the Australia, Canada, Indonesia, Macau, Malaysia, Singapore and US. The Directors have, in compliance with Rule 13.36(2)(a) of the Listing Rules, made enquiries regarding the legal restrictions under the laws of the above-listed countries and the requirements of the regulatory bodies or stock exchanges of the above-listed countries with respect to the offer of Rights Shares to such Overseas Shareholders.

The Company has been advised by its legal advisors in Indonesia that the Prospectus Documents would not be required to be registered with any regulatory authorities or stock exchanges of Indonesia and may be despatched to the Overseas Shareholders with registered addresses in Indonesia, so long as they will not trigger the public offering requirements under Law No. 8 of 1995 regarding Capital Market.

LETTER FROM THE BOARD

The Company has been advised by its legal advisors in Macau that the Prospectus Documents would not be required to be registered with any regulatory authorities or stock exchange in Macau and may be despatched to the Overseas Shareholders with registered addresses in Macau.

The Company has been advised by its legal advisors in Malaysia that the Prospectus Documents would not be required to be registered with any regulatory authorities on stock exchange in Malaysia, but a copy of the Prospectus Documents would have to be filed with the Securities Commission of Malaysia.

The Company has been advised by its legal advisors in Australia that the Company would be required to prepare and lodge a disclosure document that satisfies the requirements of the Corporations Act 2001 (Cth) with ASIC which may affect the timing of the current timetable, unless the Company meets the requirements for one of the exceptions under the Corporations Act 2001 (Cth) or administrative relief granted by ASIC.

The Company has been advised by its legal advisors in the Canada that certain notices would have to be provided to applicable Canadian securities regulatory authorities and certain other conditions would have to be satisfied which may affect the timing of the current timetable.

The Company has been advised by its legal advisors in Singapore that the Prospectus Documents would be required to be registered with the Monetary Authority of Singapore, unless the Company qualifies for an exemption by satisfying various criteria which may affect the timing of the current timetable.

The Company has been advised by its legal advisors in the United States that the Prospectus Documents would be required to be registered with the regulatory authority or stock exchange of the United States, unless the Company qualifies for an exemption by satisfying various criteria which may affect the timing of the current timetable, and may not be despatched to the Shareholders with the registered addresses in the United States.

Based on such advice, the Directors have decided to extend the Rights Issue to the Overseas Shareholders with registered addresses in Indonesia, Macau and Malaysia. However, the Directors have formed the view that it is necessary or expedient to exclude the Rights Issue from the Overseas Shareholders with registered addresses in Australia, Canada, Singapore and US due to the time and costs involved in complying with the relevant legal and regulatory requirements. As such, Overseas Shareholders with registered addresses in Indonesia, Macau and Malaysia, together with the Shareholders with registered addresses in Hong Kong, are Qualifying Shareholders, while Overseas Shareholders with registered addresses in Australia, Canada, Singapore and US are Non-Qualifying Shareholders for the purpose of the Rights Issue. The Company will send the Prospectus Documents to the Qualifying Shareholders, and will send the Prospectus (without the PAL and EAF) to the Non-Qualifying Shareholders for their information only.

LETTER FROM THE BOARD

Shareholders or investors are advised to consider the matters set out under the paragraph headed “Procedures for Acceptance and Payment or Transfer” in this section before applying for the Rights Shares.

No person receiving a PAL or an EAF in any territory or jurisdiction other than Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in a territory or jurisdiction where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof or where the offer is made in reliance on any exemption or where compliance with the relevant legal or regulatory requirement will not, in the Board’s judgment, be unduly burdensome.

Notwithstanding any other provision in the Prospectus Documents, the Company reserves the right to permit any Shareholder or investor (whether as a direct holder or Beneficial Owner) whose registered address is in, or who is otherwise residing in, a jurisdiction other than Hong Kong to take up his/her/its Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of Rights Shares in that jurisdiction.

Receipt of this prospectus and/or a PAL and/or an EAF or the crediting of Nil Paid Rights to any stock account (including in CCASS) does not and will not constitute an offer in any jurisdictions in which it would be illegal to make an offer and, in those circumstances, this prospectus and/or a PAL and/or an EAF must be treated as sent for information only and should not be copied or redistributed.

Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this prospectus and/or a PAL and/or an EAF or whose stock account in CCASS is credited with Nil Paid Rights should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer Nil Paid Rights to any person in, into or from, any jurisdiction outside Hong Kong, unless an offer of Rights Shares and Nil Paid Rights into such jurisdiction could lawfully be made without compliance with any registration or other legal or regulatory requirements or where the offer is made in reliance on any exemption or where compliance with the relevant legal or regulatory requirements will not, in the Board’s judgment, be unduly burdensome. If a PAL or an EAF or the crediting of Nil Paid Rights in CCASS is received by any person in any such territory, or by his/her/its agents, custodian, nominee or trustee, he/she/it should not seek to take up the rights referred to in the PAL or transfer the PAL (or apply for any excess Rights Shares under the EAF) or transfer the Nil Paid Rights in CCASS unless the Company, in its absolute discretion, determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, agents, custodians, nominees and trustees) who forwards this prospectus and/or a PAL and/or an EAF in, into or from, any jurisdiction outside Hong Kong (whether under a contractual or legal obligation or otherwise) should draw the recipient’s attention to the contents of this section.

LETTER FROM THE BOARD

It is the responsibility of anyone wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents or observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes and duties required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to treat as invalid any acceptances of or applications for, or purported acceptances of or applications for, the Rights Shares where it believes that such acceptance or application, or purported acceptance or application, would violate the applicable securities or other laws or regulations of any territory or jurisdiction or if in respect thereof the Shareholder or its agent has not given the declaration set out in the PAL and/or EAF in respect of such matters.

The Company will not make any arrangement for the Nil Paid Rights of Beneficial Owners who are located or residing in jurisdictions outside of Hong Kong (“**Overseas Beneficial Owners**”). All Overseas Beneficial Owners should seek their own legal advice as to whether or not they may under the laws and regulations of the relevant jurisdiction in which they are residing, acquire and sell Nil Paid Rights in the market, and any other requirements and restrictions relating thereto. Overseas Beneficial Owners who hold interests in Shares through CCASS, their nominees, custodians or other intermediaries may sell on their behalf, their entitlements to the Nil Paid Rights in compliance with applicable securities laws and distribute the proceeds thereof as appropriate. Any such Nil Paid Rights which are not sold in the market by such Overseas Beneficial Owners will be made available for excess applications on EAFs by Qualifying Shareholders.

Procedures for acceptance and payment or transfer

General

Any person (including, without limitation, agents, custodians, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The attention of Shareholders with registered addresses in, and Beneficial Owners or persons who are located or residing in, any of the jurisdictions outside Hong Kong or who hold Shares on behalf of persons with such addresses or residence is drawn to the sections above headed “Non-Qualifying Shareholders”.

LETTER FROM THE BOARD

Each purchaser of Nil Paid Rights or subscriber of Rights Shares being offered and sold outside the United States in reliance on Regulation S under the US Securities Act will be deemed (by accepting delivery of this prospectus) to have agreed and given each of the following representations and warranties to the Company and the Underwriter and to any person acting on their behalf, unless in their sole discretion the Company and the Underwriter waive such requirement expressly in writing:

- he/she/it was a Shareholder on the Record Date, or he/she/it lawfully acquired or may lawfully acquire the Nil Paid Rights, directly or indirectly, from such a person;
- he/she/it may lawfully be offered, take up, obtain, subscribe for and receive the Nil Paid Rights and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- he/she/it is not residing or located in, or a citizen of, the United States;
- he/she/it is not accepting an offer to acquire or take up the Nil Paid Rights and/or Rights Shares on a non-discretionary basis for a person who is residing or located in, or a citizen of, the United States at the time the instruction to accept was given;
- he/she/it is not taking up for the account of any person who is located in the United States, unless:
 - (a) the instruction to purchase or take up the Nil Paid Rights or to subscribe for or accept Rights Shares was received from a person outside the United States, and
 - (b) the person giving such instruction has confirmed that it (x) has the authority to give such instruction, and (y) either (A) has investment discretion over such account or (B) is an investment manager or investment company that it is acquiring the Nil Paid Rights and/or the Rights Shares in an “offshore transaction” within the meaning of Regulation S under the US Securities Act;
- he/she/it is acquiring the Nil Paid Rights and/or the Rights Shares in an “offshore transaction” as defined in Regulation S under the US Securities Act;
- he/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S under the US Securities Act;
- he/she/it is not acquiring Nil Paid Rights or Rights Shares with a view to the offer, sale, allotment, taking up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of such Nil Paid Rights or Rights Shares into the United States; and

LETTER FROM THE BOARD

- he/she/it understands that neither the Nil Paid Rights nor the Rights Shares have been or will be registered under the US Securities Act or with any securities regulatory authority of any state, territory, or possession of the US and the Nil Paid Rights and Rights Shares are being distributed and offered only outside the US in reliance on Regulation S under the US Securities Act. Consequently he/she/it understands the Nil Paid Rights or Rights Shares may not be offered, sold, pledged or otherwise transferred in or into the US, except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the above representations and warranties.

The Company may treat as invalid any instruction which appears to the Company to have been despatched from any of the jurisdictions outside Hong Kong and which may involve a breach of the laws of the relevant jurisdictions or any instruction which otherwise appears to the Company that may involve a breach of the laws of any jurisdiction; or if the Company or its agent(s) believe(s) the same may violate any applicable legal or regulatory requirement; or which purports to exclude the representations and/or warranties required by the paragraph immediately above.

Action to be taken by Qualifying Shareholders

Subscription for all Rights Shares provisionally allotted

For each Qualifying Shareholder, a PAL is enclosed with this prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown thereon. If a Qualifying Shareholder wishes to take up his/her/its right to subscribe for any or all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar, by not later than 4:00 p.m. on Thursday, 8 January 2015. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "SHENYIN WANGUO (H.K.) LIMITED – RIGHTS ISSUE ACCOUNT" and crossed "Account Payee Only". Any payments for the Rights Shares should be rounded down to 2 decimal points. No receipt will be given for such remittances. Qualifying Shareholders should note that they may apply for a number of Rights Shares equal to or less than the number set out in the PAL (by following the instructions in the section headed "Transfer and "Splitting" of Nil Paid Rights" below).

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on Thursday, 8 January 2015, whether by the original allottee or any person in whose favour the rights have been validly renounced or transferred, that provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

LETTER FROM THE BOARD

The PAL contains further information regarding the procedures to be followed for acceptance of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques or cashier's orders will be presented for payment immediately upon receipt and all interests earned on such monies will be retained for the benefit of the Company. Completion and lodgment of a PAL together with a cheque or cashier's order in payment for the Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

The Company may (at its sole discretion) treat the PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage. Completion and return of the PAL will constitute a representation and warranty by you to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong, in connection with the PAL and any acceptance of provisionally allotted Rights Shares, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

Transfer of Nil Paid Rights

If a Qualifying Shareholder wishes to transfer all of his/her/its Nil Paid Rights under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign the form of transfer and nomination in the PAL and hand the PAL to the transferee(s) or persons through whom you are transferring your rights. The transferee(s) must then complete and sign the registration application form in the PAL and lodge the PAL intact, together with a remittance for the full amount payable on acceptance with the Registrar by not later than 4:00 p.m. on Thursday, 8 January 2015. All remittances must be in Hong Kong dollars and cheques must be drawn on a bank account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**SHENYIN WANGUO (H.K.) LIMITED – RIGHTS ISSUE ACCOUNT**" and crossed "Account Payee Only". No receipt will be given for such remittances. It should be noted that stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

The PAL contains further information regarding the procedures to be followed for transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

LETTER FROM THE BOARD

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

Splitting of Nil Paid Rights

The Nil Paid Rights can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares, or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and sell the remaining part on the Stock Exchange.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer all or part of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation not later than 4:30 p.m. on Tuesday, 30 December 2014 with the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly known as “splitting” the Nil Paid Rights.

Having “split” the Nil Paid Rights, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for the Rights Shares provisionally allotted.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than through CCASS)

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Shareholder and you wish to subscribe for the Rights Shares provisionally allotted to such Registered Shareholder in respect of your Shares, or sell the respective Nil Paid Rights or “split” those Nil Paid Rights and accept part of the provisional allotment and sell the remaining part, you should contact the Registered Shareholder and provide the Registered Shareholder with instructions or make arrangements with the Registered Shareholder in relation to the acceptance, transfer and/or “splitting” of the Nil Paid Rights.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” of this prospectus and otherwise in accordance with the requirements of the Registered Shareholder in order to provide the Registered Shareholder with sufficient time to ensure that your instructions are given effect.

LETTER FROM THE BOARD

Action to be taken by Beneficial Owners holding interests in Shares through CCASS

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to HKSCC Nominees Limited in respect of your Shares, or sell the respective Nil Paid Rights or “split” those Nil Paid Rights and accept part of the provisional allotment and sell the remaining part, you should (unless you are a CCASS participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of the Nil Paid Rights.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” of this prospectus and otherwise in accordance with the requirements of your Intermediary in order to provide your Intermediary with sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other requirements of CCASS.

Beneficial Owners who are CCASS participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in Nil Paid Rights should be dealt with.

Effect of bad weather on the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares

The Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is:

- (1) a tropical cyclone warning signal number 8 or above, or
- (2) a “black” rainstorm warning
 - (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Final Acceptance Date. Instead the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or

LETTER FROM THE BOARD

- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Final Acceptance Date. Instead the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 12:00 noon and 4:00 p.m.

If the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Final Acceptance Date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

Application for Excess Rights Shares

Qualifying Shareholders shall be entitled to apply, by way of excess applications, for:

- (i) any unsold Rights Shares which would have been allotted to the Non-Qualifying Shareholders had they been the Qualifying Shareholders;
- (ii) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by renounees or transferees of Nil Paid Rights; and
- (iii) any unsold Right Shares created by aggregating fractions of Nil Paid Rights.

Action to be taken by Qualifying Shareholders who wish to apply for excess Rights Shares

Applications for excess Rights Shares may be made only by the Qualifying Shareholders and only by completing the EAFs (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar by a time no later than 4:00 p.m. on Thursday, 8 January 2015 or such later time as may be agreed between the Company and the Underwriter.

All remittances must be made in Hong Kong dollars and cheques or cashier's orders must be drawn on a bank account in Hong Kong and made payable to "**SHENYIN WANGUO (H.K.) LIMITED – EXCESS APPLICATION ACCOUNT**" and crossed "**Account Payee Only**". Any payments for the Excess Rights Shares should be rounded down to 2 decimal points. No receipt will be given for such remittances.

LETTER FROM THE BOARD

The Directors will, upon consultation with the Underwriter, allocate the excess Rights Shares (if any) at their discretion on a fair and reasonable basis, according to the principle that any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of excess Rights Shares applied for but no reference will be made to Rights Shares comprised in applications by PAL or the existing number of Shares held by Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders under PALs is greater than the aggregate number of excess Rights Shares applied for through EAFs, the Directors will allocate to each Qualifying Shareholder who applies for excess Rights Shares in full application. No preference will be given to topping up odd lots to whole board lots.

Notwithstanding the provisions in the Prospectus Documents, the Company reserves the right to permit any Shareholder (whether as a direct holder or Beneficial Owner) whose registered address is in, or who is otherwise residing in, a jurisdiction other than Hong Kong to take up excess Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of Rights Shares in that jurisdiction.

Important notice to Beneficial Owners: Beneficial Owners whose Shares are held by a Registered Shareholder (or which are deposited in CCASS) should note that the Board will regard the Registered Shareholder (including HKSCC Nominees Limited) as a single Shareholder on the register of members of the Company. Accordingly, Beneficial Owners whose Shares are registered in the name of a Registered Shareholder (or which are deposited in CCASS) should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to them individually save for such Beneficial Owner(s) the Company shall permit in its absolute discretion.

All cheques or cashier's orders will be presented for payment immediately upon receipt and all interests earned on such monies will be retained for the benefit of the Company. Completion and lodgment of an EAF together with a cheque or cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or cashier's order is dishonoured on first presentation. An EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent at the risk of the persons entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

LETTER FROM THE BOARD

If no excess Rights Shares are allotted and issued to a Qualifying Shareholder, the amount tendered on application is expected to be refunded to that Qualifying Shareholder in full without any interest by means of cheque(s) despatched by ordinary post and at the risk of that Shareholder on or around Monday, 19 January 2015. If the number of excess Rights Shares allotted and issued to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be refunded to that Shareholder without any interest by means of cheque(s) despatched by ordinary post and at the risk of that Shareholder on or around Monday, 19 January 2015.

If the Underwriter exercises the right to terminate its obligations under the Underwriting Agreement before 4:00 p.m. on the Settlement Date or if the conditions of the Rights Issue (as set out in the paragraph headed “Conditions of the Rights Issue” in this section) are not fulfilled, the monies received in respect of relevant applications for excess Rights Shares will be returned to the relevant persons without interest, by means of cheques to be despatched by ordinary post to their registered address, and in the case of joint applicants to the registered address of the first-mentioned person who appears on the register of members, at their own risk on or around Monday, 19 January 2015.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than Shares deposited in CCASS) who wish to apply for excess Rights Shares

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Shareholder and you wish to apply for excess Rights Shares, you should contact the Registered Shareholder and provide the Registered Shareholder with instructions or make arrangements with the Registered Shareholder in relation to such application. Such instructions and/or arrangements should be given or made in advance of the latest time for application and payment for excess Rights Shares stated in the section headed “Expected Timetable” of this prospectus and otherwise in accordance with the requirements of the Registered Shareholder, in order to provide the Registered Shareholder with sufficient time to ensure that your instructions are given effect.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS who wish to apply for excess Rights Shares

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for excess Rights Shares, you should (unless you are a CCASS participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to this application for excess Rights Shares. Such instructions and/or arrangements should be given or made in advance of the date stated in the section headed “Expected Timetable” of this prospectus as the latest time for application and payment for excess Rights Shares and otherwise in accordance with the requirements of your Intermediary, in order to provide your Intermediary with sufficient time to ensure that your instructions are given effect.

LETTER FROM THE BOARD

The procedures for application for excess Rights Shares by CCASS Participants shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other requirements of CCASS.

Beneficial Owners who are CCASS participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to any applications for excess Rights Shares. HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS participants pro rata to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate, which is pursuant to the allocation basis stipulated in Rule 8.10.4(ix) of the CCASS Operational Procedures.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue set out below, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or around Monday, 19 January 2015. Each successful applicant will receive one share certificate for all the Rights Shares allotted and issued to him/her/it.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted to the applicants on or around Monday, 19 January 2015 by ordinary post to the applicants at their own risk.

The first day of dealings in the Rights Shares in their fully-paid form is expected to commence on Tuesday, 20 January 2015.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Rights Shares in both their nil-paid and fully-paid forms will be traded in board lots of 5,000 Shares.

No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange.

LETTER FROM THE BOARD

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates 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 trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Shareholders should seek advice from their licensed securities dealers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees and charges

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and any other applicable fees and charges in Hong Kong.

UNDERWRITING ARRANGEMENT

The Underwriting Agreement

Date	:	Friday, 28 November 2014
Underwriter	:	SWHKH
Number of Rights Shares being underwritten by the Underwriter	:	Underwritten Shares
Underwriter's commission	:	The Underwriter will not charge any underwriting commission of the Underwritten Shares for which the Underwriter has agreed to subscribe or procure subscription

LETTER FROM THE BOARD

Pursuant to the conditions set out in the Underwriting Agreement, the Underwriter has conditionally agreed to fully underwrite the Underwritten Shares. As at the Latest Practicable Date, SWHKH (being the Underwriter) wholly-owned VSI and VSI owned 50.52% interest in SWHBVI. SWHKH and SWHBVI owned 2,045,000 Shares and 268,334,875 Shares, representing approximately 0.38% and 50.56% of the total number of the Shares in issue, respectively. SWHKH is a connected person of the Company within the meaning of Rule 14A.07 of the Listing Rules. The transaction of SWHKH acting as the underwriter for an issue of securities by the Company is exempt from the requirements of reporting, announcement and independent shareholders' approval pursuant to Rule 14A.92(2)(b) of the Listing Rules.

The Directors (including the independent non-executive Directors) consider that the Underwriting Agreement is (i) on normal commercial terms; (ii) fair and reasonable so far as the Shareholders are concerned; and (iii) in the interest of the Company and the Shareholders as a whole.

Given that SWHKH (being the Underwriter) is a connected person of the Company under the Listing Rules, its Shares will not be regarded as part of the public float for the purposes of the Company's compliance with the minimum public float requirement under Rule 8.08 of the Listing Rules. In the event of SWHKH being called upon to subscribe for or procure subscribers for the Underwritten Shares, SWHKH shall use its best endeavours to ensure that not less than 25% of the Shares will be held by the public in compliance with the Listing Rules.

Conditions of the Rights Issue

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. The Underwriting Agreement is conditional upon the following being fulfilled:

- (a) the delivery to the Stock Exchange and registration by the Registrar of Companies in Hong Kong respectively on or prior to the Despatch Date of one copy of each of the Prospectus Documents each duly certified in compliance with section 38D of the Companies (Winding up and Miscellaneous Provisions) Ordinance (and all other documents required to be attached thereto) and otherwise complying with the requirements of the Companies (Winding up and Miscellaneous Provisions) Ordinance, the Companies Ordinance and the Listing Rules;
- (b) the posting on the Despatch Date of copies of the Prospectus Documents to the Qualifying Shareholders;
- (c) compliance by the Company with all its obligations under the Underwriting Agreement relating to, among other things, the provisional allotment of the Rights Shares;

LETTER FROM THE BOARD

- (d) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Company (with the approval of the Underwriter) accepts and the satisfaction of such conditions (if any and where relevant) by no later than the Despatch Date and the Listing Committee of the Stock Exchange not having withdrawn or revoked such listings and permission on or before 4:00 p.m. on the Settlement Date;
- (e) (a) the Shares remaining listed on the Stock Exchange at all times prior to the Settlement Date and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 3 trading days and (b) no indication being received before 4:00 p.m. on the Settlement Date from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason; and
- (f) the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms hereof.

The Company shall use its best endeavours to procure the fulfilment of each of the conditions set out above, and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise necessary to give effect to the Rights Issue and the arrangements contemplated by the Underwriting Agreement.

The Underwriter has the sole discretion to waive the above conditions other than conditions in (a) to (d) and (e)(b). In the event that the conditions in (a) to (c) have not been satisfied on or before the Despatch Date (or the relevant dates set out therein) or in the event that the conditions in (d) and (e)(b) have not been satisfied on or before 4:00 p.m. on the Settlement Date, all liabilities of the parties hereto shall cease and determine and none of the parties shall have any claim against the other (save in respect of any antecedent breaches and claims) save that all such costs, fees (including legal fees) and other out of pocket expenses (including, but not limited to, sub underwriting fees and related expenses) as have been incurred by the Underwriter in connection with the underwriting of the Underwritten Shares by the Underwriter shall be borne by the Company.

LETTER FROM THE BOARD

Irrevocable Undertaking from SWHKH

Pursuant to the Underwriting Agreement, SWHKH has irrevocably undertaken to the Company that it will and will procure its indirectly owned subsidiary, SWHBVI, to (1) subscribe the Rights Shares which will constitute the provisional allotment of Rights Shares in respect of the Shares held by it and SWHBVI as at the Record Date pursuant to the terms of the Rights Issue; (2) not dispose of the Shares held by it and SWHBVI from the date hereof to the close of business on the Record Date (or such date as may be notified by the Company in writing); and (3) lodge acceptances in respect of the aforesaid Rights Shares with the Registrar or the Company, with payment in full therefor in cash (whether by cheque, bank cashier's order or such other form as the Company may approve), by no later than 4:00 p.m. on the Final Acceptance Date or such later date as the Company may agree.

Save for the irrevocable undertaking under the Underwriting Agreement as disclosed above, as at the Latest Practicable Date, the Company had not received any information or irrevocable undertakings from other substantial Shareholders of their intention to take up their assumed entitlements under the Rights Issue.

Termination of the Underwriting Agreement

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company by the Underwriter at any time prior to 4:00 p.m. on the Settlement Date if there occurs:

- (a) an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
- (b) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or currency (including any disruption to trading generally or trading in any securities of the Company on any stock exchange, or a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict; or
- (c) any act of God, fire, flood, explosion, epidemic, earthquake, nuclear or natural disaster, war, act of terrorism, riot, public disorder, civil commotion, strike or lock-out; or

LETTER FROM THE BOARD

- (d) any suspension or a material limitation in trading in securities generally on the Stock Exchange, or a general moratorium on commercial banking activities in Hong Kong declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong;

and in the absolute opinion of the Underwriter, such change could have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

If, at or prior to 4:00 p.m. on the Settlement Date:

- (a) the Company commits any material breach of or omits to observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under the Underwriting Agreement; or
- (b) the Underwriter shall receive notification pursuant to the Underwriting Agreement, or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue, inaccurate or misleading, or would be untrue, inaccurate or misleading if repeated as provided in the Underwriting Agreement; or
- (c) the Company shall, after any matter or event referred to in the Underwriting Agreement has occurred or come to the Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Underwriter may request for the purpose of preventing the creation of a false market in the securities of the Company;

the Underwriter shall be entitled (but not bound) by notice in writing issued by the Underwriter to the Company to elect to treat such matter or event as releasing and discharging the Underwriter from their obligations under this Agreement.

In the event the Underwriter exercises its rights to terminate the Underwriting Agreement prior to the Latest Time for Termination, all obligations of the Underwriter hereunder shall cease and determine and none of the parties hereto shall have any claim against the other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (save in respect of any antecedent breaches and claims).

If the Underwriter exercises such right, the Rights Issue will not proceed. A further announcement will be made if the Underwriting Agreement is terminated by the Underwriter.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company immediately before and after the completion of the Rights Issue:

	As at the date of this prospectus		Immediately after completion of the Rights Issue assuming all Qualifying Shareholders, SWHBVI and SWHKH take up their respective allotment of Rights Shares in full		Immediately after completion of the Rights Issue assuming no Qualifying Shareholders (other than SWHBVI and SWHKH) take up any of the Rights Shares	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
SWHKH	2,045,000	0.38	3,067,500	0.38	133,257,125	16.73
SWHBVI (<i>Note 1</i>)	268,334,875	50.56	402,502,313	50.56	402,502,313	50.56
Other Shareholders	<u>260,379,251</u>	<u>49.06</u>	<u>390,568,876</u>	<u>49.06</u>	<u>260,379,251</u>	<u>32.71</u>
Total	<u><u>530,759,126</u></u>	<u><u>100</u></u>	<u><u>796,138,689</u></u>	<u><u>100</u></u>	<u><u>796,138,689</u></u>	<u><u>100</u></u>

Note:

- (1) SWHBVI was held directly as to approximately 50.52% by VSI. VSI was wholly-owned by SWHKH.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL PAID RIGHTS

The Underwriting Agreement contains provisions granting the Underwriter a right to terminate their obligations under the Underwriting Agreement upon the occurrence of certain events. Please refer to the section headed “Underwriting Arrangement” for further details. The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If this condition is not fulfilled, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.

The Shares have been dealt in on an ex-rights basis from Thursday, 11 December 2014. Dealings in the Nil Paid Rights are expected to take place from Tuesday, 23 December 2014 to Monday, 5 January 2015 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Nil Paid Rights is advised to exercise caution when dealing in the Shares and/or the Nil Paid Rights.

LETTER FROM THE BOARD

Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the Nil Paid Rights up to the date on which all the conditions to which the Rights Issue is subject are fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in the brokerage business, corporate finance business, asset management business, financing and loans business and investment and other business.

The expenses in relation to the Rights Issue (including the underwriting fee, printing, registration, legal, accounting and documentation charges) are estimated to be approximately HK\$1.7 million.

The estimated net proceeds of the Rights Issue will be approximately HK\$619.8 million (assuming no new Shares are issued (other than Rights Shares) and no buy-back of Shares on or before the Record Date).

The net price per Rights Share (assuming no further issue of new Shares or buy-back of Shares on or before the Record Date) will be approximately HK\$2.336.

The Group intends to apply 70% of the net proceeds from the Rights Issue (approximately HK\$433.9 million) for further development of the financing and loans business and 30% of the net proceeds from the Rights Issue (approximately HK\$185.9 million) for other general working capital purposes.

The Board considers that it is prudent to finance the Group's long term growth by way of the Rights Issue which will not only strengthen the Group's capital base and enhance its financial position without increasing finance costs, but will also offer all Qualifying Shareholders the opportunity to participate in the growth of the Group through the Rights Issue at a price lower than the current market price of the Shares. Accordingly, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

TAXATION

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the Nil Paid Rights or the Rights Shares and, regarding the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the Nil Paid Rights on their behalf.

EQUITY FUND RAISING EXERCISE OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this prospectus.

SHAREHOLDERS' APPROVAL NOT REQUIRED FOR RIGHTS ISSUE

There is no requirement under the Listing Rules for the Rights Issue to be approved by Shareholders in a general meeting.

GENERAL

This prospectus containing, among other things, details of the Rights Issue is expected to be despatched by the Company to the Qualifying Shareholders on the Despatch Date. The PALs and the EAFs will also be sent to the Qualifying Shareholders on the same date. A copy of this prospectus will also be made available on the websites of the Company (www.sywg.com.hk) and the Stock Exchange (www.hkexnews.hk). Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send copies of this prospectus to the Non-Qualifying Shareholders for their information only but will not send any PAL or EAF to them.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this prospectus.

Yours faithfully,
By order of the Board
Shenyin Wanguo (H.K.) Limited
Chu Xiaoming
Chairman

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group (i) for the six months ended 30 June 2014 has been disclosed on pages 1 to 32 of the interim report of the Company for the six months ended 30 June 2014; (ii) for the year ended 31 December 2013 has been disclosed on pages 39 to 104 of the annual report of the Company for the year ended 31 December 2013; (iii) for the year ended 31 December 2012 has been disclosed on pages 39 to 102 of the annual report of the Company for the year ended 31 December 2012; and (iv) for the year ended 31 December 2011 has been disclosed on pages 34 to 100 of the annual report of the Company for the year ended 31 December 2011. All the above reports of the Company have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.sywg.com.hk).

2. INDEBTEDNESS STATEMENT

At the close of business on Friday, 31 October 2014, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus, the details of the Group's outstanding borrowings were set out as follows:

	<i>HK\$'000</i>
Current	
Bank loans – secured	153,879
Bank loans – unsecured	<u>1,245,000</u>
Total	<u><u>1,398,879</u></u>

All bank loans are unguaranteed by parties other than the Company.

Out of the HK\$154 million secured bank loans, HK\$54 million is secured by listed shares and unlisted public fund of HK\$104 million fair value pledged by our customers to the Group where we re-pledged to our banks and HK\$100 million is secured by unlisted public fund of HK\$127 million fair value held by the Group.

Save as aforesaid or as otherwise disclosed herein, as at the close of business on Friday, 31 October 2014, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases or finance lease commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, taking into account the financial resources available to the Group, including the internally generated funds, the available banking facilities and the estimated net proceeds of the Rights Issue, are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this prospectus.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2013, being the date to which the latest published audited consolidated financial statements of the Company were made up.

5. BUSINESS REVIEW AND FINANCIAL AND TRADING PROSPECTS**Business Review**

The Group is principally engaged in the brokerage business, corporate finance business, asset management business, financing and loans business and investment and other business. In the first half of 2014, the Group achieved a satisfactory result. Revenue from brokerage business, financing and loans business and corporate finance business achieved a higher growth.

Brokerage business:

For brokerage business, despite a decrease in market trading volume, revenue for the first half of 2014 increased by 8% as compared with the same period last year.

The brokerage business of the Group focuses on the stock and futures markets in Hong Kong as well as the B-share market in Chinese Mainland. In the first half of 2014, the markets in both Hong Kong and Chinese Mainland dropped slightly, with the average daily turnover in Hong Kong stock market decreased slightly as compared to the same period last year. The Group leveraged on the market opportunities, like the active new economic concept stocks and introduction of Shanghai-Hong Kong Stock Connect policy, to pro-actively introduce customers to participate in trading Hong Kong stocks and obtained satisfactory results.

For the institutional brokerage business, the Group even integrated its overseas offices and sales teams further to unify its management and joint marketing, and actively expanded the comprehensive institutional business, which included share placement and RQFII products marketing. At the same time, for business development, the Group's wholly-owned Singapore-incorporated subsidiary, officially commenced its operation, and the Group introduced the ECM team to actively develop the share placement transaction business of Hong Kong listed companies.

Corporate Finance business:

For corporate finance business, the Group successfully completed the lead underwriting of Hung Fook Tong Group Holdings Limited (1446) on the Main Board in the first half year of 2014, and participated in the international offering. In the first half year of 2014, revenue from corporate finance business increased significantly as compared with the same period last year. The number of lead underwriting, placing and financial advisory projects amounted to 1, 3 and 11 respectively.

Shenyin Wanguo Capital (H.K.) Limited ("**Shenyin Wanguo Capital**"), a wholly-owned subsidiary of the Group, is mainly engaged in the sponsor, financial advisory and securities underwriting businesses. Shenyin Wanguo Capital acted as the joint lead manager of Hung Fook Tong Group Holdings Limited (1446), the shares of which were successfully listed on the Main Board of the Hong Kong Stock Exchange in July 2014. During the first half of 2014, Shenyin Wanguo Capital acted as underwriter for various new share issues and actively participated in a number of share placements as well as a number of financial advisory projects.

Asset Management business:

In the first half year, revenue from asset management business increased satisfactorily as compared with the same period last year.

The "Shenyin Wanguo RMB Mainland Investment Fund" (RQFII Fund), managed by Shenyin Wanguo Asset Management (Asia) Limited ("**SWAM**"), a wholly-owned subsidiary of the Group, continued to perform well. The company was successfully granted the additional RQFII special quota of RMB1.5 billion in April this year and that result in a satisfactory total asset under management (AUM) size by the end of June. During the first half of 2014, revenue from asset management business amounted to HK\$5.63 million.

Financing and Loans business:

For financing and loans business, in the first half of 2014, the average margin balance reached a relatively high level and achieved revenue of HK\$60.67 million, representing an increase of 35% as compared with the same period last year.

In the first half year of 2014, in supporting its business development, the Group conducted a comprehensive appraisal on various sources of fund and leverage applications on debt issues, syndicated loans and commercial credits. By fully taking advantage on the opportunities brought by the intensive issue of new shares in the Hong Kong stock market and the active performance of individual stock in the first half year, the Group expanded the loan size on time with risk under control.

Investment and other business:

In the first half of 2014, the revenue from investment and other business is not material as compared to the total revenue of the Group.

Prospects

The market generally expect that the U.S. economy will continue to recover and that the U.S. Federal Reserve Board will exit quantitative easing, however, that interest rate will not start to increase in the second half of this year. Meanwhile, the economic growth in Japan and the inflation situation of Europe remains to be observed. We are of the view that the Chinese Mainland economy has stabilised in phases. Under the dual-stimulation of the government's easing fiscal policy and monetary policy, the domestic economy will continue its layout of maintaining stability while in an increasing trend in the second half year, and GDP for the year is expected to reach the growth target of 7.5%. At the same time, state-owned enterprises reform, financial market reform, key factor prices reform and environmental governance will continue to contribute the reform benefits. Under the current valuation standard, Chinese assets are becoming very attractive. Along with the implementation of Shanghai-Hong Kong Stock Connect in the second half of 2014, large blue chips will attract more investor attention.

From the financial performance perspective, we are confident that the Group's overall revenue will record growth in the full year of 2014 as compared to that in 2013. In particular, we look forward to a higher year-on-year growth in revenue from corporate finance business as well as financing and loans business. In terms of the revenue distribution among different businesses, we anticipate that the Group has reached a success in the beginning in transforming the revenue structure of the Group while the absolute amount of revenue in brokerage business in 2014 will increase, the percentage contribution of it to the overall revenue in 2014 will drop. The percentage contribution of revenue from corporate finance business to the overall revenue in 2014 is expected to increase as a result of several placing and block trades' commission income generated by the newly set-up equity capital market ("ECM") team and the completion of 2 more initial public offering projects in the second half of 2014 other than that mentioned in the "Business Review" section above (including EGL Holdings Company Limited (6882) and Medicskin Holdings Limited (8307)). The top 3 key accomplishments made by the Group in 2014 are as follows:

1. We are in the first batch of brokerage firms that participated in Shanghai Stock Connect. We believe we have laid a solid foundation in this new piece of cross-border business.
2. The growth in our exchange-traded turnover in the Hong Kong market will beat the market turnover growth in 2014 as we have seized the opportunity by proactively channeled our clients to trade Chinese new economy concept stocks in the Hong Kong market amid rising overall market turnover amount.
3. We continued to transform our revenue to wealth management nature by aggressively launched non-Hong Kong equity products like overseas stocks, commodity and index futures/options products, bonds, funds products and investment immigration services, etc.

On the basis of the revenue from brokerage business, financing and loans business and corporate finance business recorded so far, we look forward to our Group achieving a good performance in 2014.

**1. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS OF THE GROUP**

The unaudited pro forma statement of adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) prepared in accordance with Rule 4.29 of the Listing Rules is set out below to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2014 as if it had taken place on 30 June 2014.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only, and because of its nature, it may not give a true picture of the financial position of the Group as at 30 June 2014 or at any future date.

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company is prepared based on the unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2014 extracted from the published unaudited consolidated financial statements of the Group and adjusted to reflect the effect of the Rights Issue.

Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2014 <i>HK\$ million</i> <i>(Note 1)</i>	Net Proceeds from Rights Issue <i>HK\$ million</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company after the completion of Rights Issue <i>HK\$ million</i>	Consolidated net tangible assets per Share attributable to the owners of the Company as at 30 June 2014 <i>HK\$</i> <i>(Note 3)</i>	Unaudited pro forma adjusted net consolidated net tangible assets per Share attributable to the owners of the Company after the completion of Rights Issue <i>HK\$</i> <i>(Note 4)</i>
Based on 265,379,563 Rights Shares at subscription price of HK\$2.342 per Rights Share				
1,244.8	619.8	1,864.6	2.345	2.342

Notes:

1. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2014 is based on the unaudited consolidated net assets of the Group attributable to the owners of the Company as at 30 June 2014 of approximately HK\$1,249.2 million as extracted from the Group's published interim report for the six months ended 30 June 2014, with an adjustment to exclude the intangible assets as at 30 June 2014 of approximately HK\$4.4 million.
2. The estimated net proceeds from the Rights Issue are based on 265,379,563 Rights Shares to be issued at the subscription price of HK\$2.342 per Rights Share and the estimated related expenses are approximately HK\$1.7 million.
3. The number of Shares used for the calculation of unaudited consolidated net tangible assets per Share prior to the completion of the Rights Issue is based on 530,759,126 Shares in issue as at 30 June 2014.
4. The calculation of the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 June 2014 immediately after the completion of the Rights Issue is based on 796,138,689 Shares after the completion of the Rights Issue as if the Rights Issue of 265,379,563 Rights Shares had been completed on 30 June 2014.
5. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2014.

**2. REPORT FROM THE REPORTING ACCOUNTANT ON UNAUDITED PRO FORMA
FINANCIAL INFORMATION OF THE GROUP**

The following is the text of a report received from Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION**

To the Board of Directors of Shenyin Wanguo (H.K.) Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of Shenyin Wanguo (H.K.) Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The pro forma financial information consists of the pro forma consolidated net tangible assets as at 30 June 2014, and related notes as set out on pages II-1 and II-2 of the prospectus dated 19 December 2014 (the “**Prospectus**”) issued by the Company (the “**Pro Forma Financial Information**”). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in the Prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue of the Company on the Group’s financial position as at 30 June 2014 as if the transaction had taken place at 30 June 2014. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s financial statements for the period ended 30 June 2014, on which no review report has been published.

Directors’ responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to AG 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Reporting Accountant's responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information, in accordance with paragraph 4.29 of the Listing Rules and with reference to AG7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the proposed rights issue of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Ernst & Young

Certified Public Accountants

Hong Kong

19 December 2014

1. RESPONSIBILITY STATEMENT

This prospectus, 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 prospectus 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 prospectus misleading.

2. SHARE CAPITAL

The Company does not have an authorised share capital nor any nominal value of Shares in its capital.

- (a) As at the Latest Practicable Date, the number of Shares of the Company in issue was as follows:-

Type	<i>Number</i>
Ordinary Shares	530,759,126

- (b) The Shares of the Company in issue immediately following completion of the Rights Issue will be as follows (assuming no further issue and/or buy-back of Shares from the Latest Practicable Date to the completion of the Rights Issue):-

Type	<i>Number</i>
Ordinary Shares	530,759,126
Rights Shares	<u>265,379,563</u>
	<u><u>796,138,689</u></u>

All of the Shares and the Rights Shares in issue and to be issued (when fully paid) rank and will rank pari passu with each other in all respects, including, in particular, as to dividends, voting rights and return of capital. The Shares and the Rights Shares in issue and to be issued are or will be listed on the Main Board of the Stock Exchange.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Company had no outstanding convertible securities, options, or warrants in issue which conferred any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, none of the capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option. As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

4. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, Shareholders who had interests or short positions in the Shares or underlying Shares of the Company which could fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the total issued share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group were as follows:

Name of shareholders	Number of shares		Approximate percentage of issued share capital of the Company ⁽³⁾	
	Long position	Short positions	Long position	Short positions
SWHBVI ⁽¹⁾	402,502,313	Nil	50.56%	Nil
VSI ⁽¹⁾	402,502,313	Nil	50.56%	Nil
SWHKH ⁽¹⁾⁽²⁾	535,759,438	Nil	67.29%	Nil
Shenyin & Wanguo Securities Co., Ltd. ("SWSC") ⁽¹⁾⁽²⁾	535,759,438	Nil	67.29%	Nil

Note:

- (1) SWHBVI was held directly as to 50.52% by VSI. VSI was wholly-owned by SWHKH. SWHKH was wholly-owned by SWSC. Hence, VSI, SWHKH and SWSC were deemed to be interested in the same parcel of 402,502,313 shares held by SWHBVI under the SFO.
- (2) SWHKH held directly 133,257,125 shares of the Company and is deemed to hold 402,502,313 shares of the Company. Hence, SWSC was also deemed to be interested in the same parcel of 535,759,438 shares held by SWHKH.
- (3) The shareholding percentage of the issued share capital of the Company is calculated based on the total enlarged issued share capital of 796,138,689 shares after completion to the Rights Issue.

Save as disclosed above, as at the Latest Practicable Date, the Directors or chief executive of the Company were not aware of any other person who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the total issued share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

5. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, there were no contracts or arrangements in which a Director was materially interested and significant in relation to the business of the Group. As at the Latest Practicable Date, none of the Directors had, directly or indirectly, any interest in any assets which have since 31 December 2013 (being the date to which the latest published audited consolidated financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

6. EXPERT

The following is the qualifications of the expert who has given opinions or advice, which are contained in this prospectus:

Name	Qualification
Ernst & Young ("EY")	Certified Public Accountants

As at the Latest Practicable Date, EY did not have any direct or indirect shareholdings in any member of the Group, or any right (whether legal enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, or any interests, directly or indirectly, in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to any member of the Group, respectively, since 31 December 2013, being the date to which the latest published audited consolidated financial statements of the Company were made up.

EY has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion herein of its report and references to its name in the form and context in which they appear.

7. SERVICE CONTRACTS

As at the Latest Practicable Date, no Director had a service contract with the Company or any of its subsidiaries which is for a duration that may exceed 3 years or which requires the Company to, in order to terminate such contract, give a notice period of more than 1 year or pay compensation or make other payments equivalent to more than 1 year's emoluments.

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

9. MATERIAL CONTRACTS

The following contract was entered into by the Group (not being contract entered into in the ordinary course of business) within the two years immediately preceding the Latest Practicable Date and is or may be material:

- (1) the Underwriting Agreement.

10. CORPORATE INFORMATION

Registered office of the Company	Level 19 28 Hennessy Road Hong Kong
Principal place of business in Hong Kong	Level 19 28 Hennessy Road Hong Kong
Authorised representatives	Guo Chun Wong Che Keung Leslie
Company secretary	Wong Che Keung Leslie
Legal advisers to the Company in relation to the Rights Issue and as to laws of Hong Kong	Li & Partners 22/F, World-Wide House Central, Hong Kong
Auditor and reporting accountant	Ernst & Young 22/F, CITIC Tower 1 Tim Mei Avenue Central, Hong Kong

Share registrar and transfer office of the Company in Hong Kong	Tricor Tengis Limited Level 22 Hopewell Centre 183 Queen's Road East Hong Kong
Principal bankers	Standard Chartered Bank (Hong Kong) Limited 13/F., Standard Chartered Bank Building 4-4A Des Voeux Road Central Hong Kong
	The Hongkong and Shanghai Banking Corporation Limited HSBC Main Building 1 Queen's Road Central Hong Kong
	Bank of China (Hong Kong) Limited Bank of China Tower 1 Garden Road Hong Kong
	Bank of Communications Co., Ltd., Hong Kong Branch 20 Pedder Street Central, Hong Kong
	China CITIC Bank International Limited 61-65 Des Voeux Road Central Hong Kong
	China Construction Bank (Asia) Corporation Limited 28/F CCB Tower 3 Connaught Road Central Hong Kong

Chinese Construction Bank Corporation,
Hong Kong Branch
29/F., CCB Tower
3 Connaught Road Central
Hong Kong

Chong Hing Bank Limited
G/F., Chong Hing Bank Centre
24 Des Voeux Road Central
Hong Kong

Dah Sing Bank, Limited
Dah Sing Financial Center
108 Gloucester Road
Hong Kong

DBS Bank (Hong Kong) Limited
G/F, The Center
99 Queen's Road Central
Hong Kong

Hang Seng Bank Limited
Hang Seng Bank Building
83 Des Voeux Road Central
Hong Kong

Industrial and Commercial Bank of
China (Asia) Limited
33/F., ICBC Tower
3 Garden Road, Central
Hong Kong

Oversea-Chinese Banking Corporation Limited
Hong Kong Branch
17/F., Nine Queen's Road Central
Hong Kong

Public Bank (Hong Kong) Limited
Public Bank Centre
120 Des Voeux Road Central
Hong Kong

Shanghai Pudong Development Bank Co., Ltd.
Hong Kong Branch
15/F., Bank of America Tower
12 Harcourt Road, Central
Hong Kong

PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

(a) Profiles of Directors and senior management

Executive Directors

CHU Xiaoming (儲曉明), aged 52, was appointed as an Executive Director and the Chairman of the Company on 20 December 2010. Mr. Chu is also a Director, the Vice Chairman of the Board and President of SWSC. Prior to joining SWSC, he was the General Manager of Zhonghai Trust Co., Ltd. Mr. Chu graduated from The University of Hong Kong with a master degree in Business Administration (International) in 2003 and obtained the qualification as Senior Economist issued by Industrial and Commercial Bank of China in 1994.

LU Wenqing (陸文清), aged 56, was appointed as a Non-executive Director of the Company in August 1996 and was re-designated as an Executive Director of the Company in September 2004. Mr. Lu has also been the Vice President of SWSC until end March 2014 when he was nominated as the Designated Vice Chairman of SWHKH. He graduated from Shanghai University of Finance and Economics. He also holds a Master's Degree in Business Administration from The Asia (Macau) International Open University and W.P. Carey School of Business at Arizona State University. Prior to joining the former Shanghai Shenyin Securities Co., Ltd., Mr. Lu served as a senior officer in Shanghai Trust & Investment Corporation of the Industrial and Commercial Bank of China and as an attaché of the Chinese Embassy in Gabon.

GUO Chun (郭純), aged 50, was appointed as an Executive Director of the Company in May 2000 and as Chief Executive Officer of the Company on 9 March 2012. Mr. Guo began his career with the Industrial and Commercial Bank of China, Shanghai Branch in 1983. Other than the banking business, he has been working in the securities industry of the PRC since 1987 and has 27 years' extensive experience in stockbroking and investment banking in the PRC. In 1990, Mr. Guo joined the former Shanghai Shenyin Securities Co., Ltd. and served as a regional superintendent in Shanghai. After the merger of Shanghai Shenyin Securities Co., Ltd. and Shanghai International Securities Co., he was appointed as the Deputy Managing Director of SWHKH on secondment to Hong Kong in early 1997, and was the Managing Director of the International Business Division of SWSC from May 2008 to March 2012 and re-appointed in February 2014. Mr. Guo holds a Master's Degree in Business Administration from Murdoch University, Perth, Australia and an Executive Master of Business Administration degree from Arizona State University, United States of America.

LEE Man Chun Tony (李萬全), aged 61, was appointed as an Executive Director of the Company in June 2000 and as Chief Executive Officer of the Company from July 2000 to 9 March 2012. Mr. Lee is an Independent Non-executive Director of China Chengtong Development Group Limited, which is listed on the Hong Kong Stock Exchange. He is an Associate of the Hong Kong Institute of Certified Public Accountants and has more than 30 years' experience in accounting, finance and banking. Mr. Lee held senior positions with Standard Chartered Bank and Sanwa International Finance Ltd. before he joined the Group in 1995. Mr. Lee obtained a Master of Business Administration from Chu Hai College of Higher Education in 1981.

Non-executive Director

ZHANG Lei (張磊), aged 46, is a Non-executive Director of the Company. He graduated from Shanghai Jiaotong University as doctor of philosophy of Financial Management Engineering in 1997. Mr. Zhang has many years of experience in the securities industry. He has previously worked for SWSC as Deputy Manager of Client Asset Management Division and served as Member of the Board of Supervisor of Haitong Securities Company Limited from June 2007 to May 2011. Mr. Zhang joined Shanghai Industrial Investment (Holdings) Company Limited in July 2006, and currently serves as its Deputy General Manager of Finance & Planning Department. He also presently holds directorships in certain wholly-owned subsidiaries of Shanghai Industrial Investment (Holdings) Company Limited and acts as the responsible officer of SIIC Asset Management Company Limited.

Independent Non-Executive Directors

NG Wing Hang Patrick (吳永鏗), aged 61, is an Independent Non-executive Director of the Company. Mr. Ng is a practising Certified Public Accountant in Hong Kong and is the Managing Director of Pan China (H.K.) CPA Limited, a certified public accountants firm in Hong Kong. He also serves as an Independent Non-executive Director of Far East Hotels and Entertainment Limited, which is listed on the Hong Kong Stock Exchange. Mr. Ng has been an Independent Non-executive Director of Ming Kei Holdings Limited, which is listed on the Hong Kong Stock Exchange, until he resigned on 26 June 2012. Mr. Ng graduated from the Hong Kong Polytechnic University in 1975.

KWOK Lam Kwong Larry, *B.B.S., J.P.* (郭琳廣, 銅紫荊星章, 太平紳士), aged 58, is an Independent Non-executive Director of the Company. Mr. Kwok is a practising solicitor in Hong Kong and is also qualified to practise as a solicitor in Australia, England and Wales and Singapore. He is also qualified as a Chartered Accountant in England and Wales and a CPA in Hong Kong and Australia. Mr. Kwok graduated from the University of Sydney, Australia with Bachelor's Degrees in Economics and Laws as well as a Master's Degree in Laws. He also obtained the Advanced Management Program Diploma from the Harvard Business School. Mr. Kwok is currently a Non-executive Director of First Shanghai Investments Limited and also an Independent Non-executive Director of Café de Coral Holdings Limited, Pacific Andes International Holdings Limited, Starlite Holdings Limited and Hang Fat Ginseng Holdings Company Limited, all of which are listed on the Hong Kong Stock Exchange.

ZHUO Fumin (卓福民), aged 63, is an Independent Non-executive Director of the Company. Mr. Zhuo graduated from Shanghai Jiaotong University's Electrical Engineering School and holds a Master's Degree in Economics conferred by Fudan University. He has more than 40 years of experience in running joint stock companies and in corporate management and has extensive capital market experience. Mr. Zhuo currently serves as a Partner in GGV Capital. He also serves as an Independent Director of Daqo New Energy Corp., which is listed on the New York Stock Exchange, an Independent Director of China Enterprise Company Limited, which is listed on the Shanghai Stock Exchange, a Non-executive Director of Besunyun Holdings Company Limited and an Independent Non-executive Director of SRE Group Limited, which are listed on the Hong Kong Stock Exchange. Mr. Zhuo has been a Director of Grandhope Biotech Co., Ltd., which is listed on the Shenzhen Stock Exchange, until he resigned on 5 August 2013, and an Independent Director of Focus Media Holding Ltd., which was previously listed on the NASDAQ Stock Market and delisted in May 2013.

Senior Management

BAI Youge (白又戈), aged 52, was appointed as Deputy General Manager of the Group in 2004 and Deputy General Manager of the International Business Division of SWSC in December 2013. Mr. Bai used to be a non-practising member of the Chinese Institute of Certified Public Accountants and has previously worked for Arthur Andersen & Co. He joined the former Shanghai International Securities Co., Ltd. in 1994 as the Deputy General Manager of the Investment Bank Division. After the merger of Shanghai International Securities Co., Ltd. and Shanghai Shenyin Securities Co., Ltd. in 1996, Mr. Bai was appointed as the Deputy General Manager of the International Business and Brokerage Departments of SWSC respectively, and has over 10 years' experience in the securities field of the PRC. He graduated from Sichuan University in Mathematics and holds a Master's Degree in Economics from the Shanghai Academy of Social Sciences and a Master's Degree in Finance and Securities from the University of Reading in the United Kingdom.

FU Xingyi (傅幸藝), aged 52, has been appointed as the Deputy General Manager of the Group since November 2007. Mr. Fu was appointed as the Assistant to General Manager of the Group in 2004. He previously worked for the International Business Division, Investment Bank Division and Merger & Acquisition Division of SWSC and has more than 10 years' experience in corporate finance. Mr. Fu holds a Bachelor's Degree from Fudan University in Shanghai.

YANG Ming (楊明), aged 40, was appointed as the Assistant to General Manager of the International Business Division of SWSC in May 2013 and as Deputy General Manager of the Group in July 2013. Mr. Yang previously worked for Shanghai Shenyin Wanguo Research & Consulting Limited as Analyst and Manager of Overseas Development Center, and has more than 10 years' experience in securities research. He graduated from the University of Limburg in Belgium as a Master Graduate Student.

WONG Che Keung Leslie (黃熾強), aged 50, is the Chief Operating Officer and Company Secretary of the Group. Besides company secretarial duties, Mr. Wong is also responsible for overseeing accounting, securities settlement, credit, treasury and information technology activities as well as legal matters of the Group. Mr. Wong once served as the Head of Compliance of the Group and subsequently, a Director of Shenyin Wanguo Securities (H.K.) Limited and the Finance Director before succeeding to the current position of the Chief Operating Officer of the Group in 2010. Mr. Wong was appointed as the Company Secretary of the Group in December 2004. Prior to joining the Group in 1996, he has worked in the Securities and Futures Commission for 7 years and in the stockbroking and treasury field for a further 2 years. Mr. Wong is a Fellow of the Hong Kong Institute of Certified Public Accountants, and obtained his Bachelor's Degree in Economics at the University of Hong Kong and a Master's Degree in Business Administration at the Chinese University of Hong Kong. He was appointed as a member of the Cash Market Consultative Panel of Hong Kong Exchanges and Clearing Limited on 1 June 2012.

TING Kay Loong Willis (丁基龍), aged 52, is the Head of Corporate Finance of the Group. Mr. Ting has over 26 years of experience in the securities industry. Prior to joining the Group in 2006, he worked for several international financial institutions and listed companies in Hong Kong, responsible for capital market activities and equity investments. Mr. Ting holds a Bachelor of Economics Degree from Macquarie University, Australia and is a fellow member of the Australian Society of Certified Public Accountants.

- (b) The business address of the Directors and the senior management as listed above is Level 19, 28 Hennessy Road, Hong Kong.

COMPANY SECRETARY

WONG Che Keung Leslie (黃熾強) is the Company Secretary of the Company. Details of the qualification and experience of Mr. Wong are set out in the paragraph headed "Particulars of Directors and Senior Management – Profiles of Directors and senior management – Senior Management" of this section.

11. MISCELLANEOUS

The English text of this prospectus shall prevail over the Chinese text in case of inconsistencies.

12. EXPENSES

The expenses in relation to the Rights Issue (including, printing, registration, legal, accounting and documentation charges) are estimated to be approximately HK\$1.7 million and will be payable by the Company.

13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, having attached thereto, among others, the written consent referred to in the paragraph headed “Expert” in this appendix, have been registered with the Registrar of Companies in Hong Kong as required by Section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents for inspection during business hours on any weekday (except Saturdays, Sunday and public holidays) at the principal place of business in Hong Kong of the Company at Level 19, 28 Hennessy Road, Hong Kong for a period of 14 days from the date of this prospectus:

- (a) the articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31 December 2012 and 2013, respectively and the interim report of the Company for the six months ended 30 June 2014;
- (c) the report on the unaudited pro forma financial information of the Group issued by Ernst & Young set out in Appendix II to this prospectus;
- (d) the material contracts disclosed in the section headed “Material Contracts” in this appendix;
- (e) the written consent from the expert as referred to in the section headed “Expert” in this appendix; and
- (f) this prospectus.

15. LEGAL EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies (Winding up and Miscellaneous Provisions) Ordinance, so far as applicable.