

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

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

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 this circular.

---



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

**申萬宏源(香港)有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 218)**

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

---

A notice convening the Annual General Meeting of Shenwan Hongyuan (H.K.) Limited to be held at the TALK Meeting Room at 2nd Floor, OZO Wesley Hong Kong, 22 Hennessy Road, Wanchai, Hong Kong on Friday, 13 May 2016 at 9:30 a.m. is set out on pages 16 to 20 of this circular. Whether or not you are able to attend the meeting, you are advised to complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Company's registered office at Level 19, 28 Hennessy Road, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the meeting or any adjourned meeting if you so wish.

13 April 2016

---

## DEFINITIONS

---

*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Annual General Meeting”	the annual general meeting of the Company to be held at the TALK Meeting Room at 2nd Floor, OZO Wesley Hong Kong, 22 Hennessy Road, Wanchai, Hong Kong on Friday, 13 May 2016 at 9:30 a.m.
“Articles of Association”	the articles of association of the Company
“Board”	the Directors of the Company or (as the context may require) the majority of Directors present and voting at a meeting of the Directors
“Company”	Shenwan Hongyuan (H.K.) Limited, whose shares are listed on the Stock Exchange
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Director(s)”	director(s) of the Company
“General Mandate”	the general authority to the Directors to allot, issue and deal with Shares in accordance with the terms set out in Ordinary Resolutions 5 and 7 in the notice convening the Annual General Meeting dated 13 April 2016
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region
“Latest Practicable Date”	7 April 2016, being the latest practicable date prior to the printing of this circular

---

## DEFINITIONS

---

“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the authority to the Directors to exercise all the powers of the Company to repurchase Shares of the Company in accordance with the terms set out in Ordinary Resolution 6 in the notice convening the Annual General Meeting dated 13 April 2016
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers

---

LETTER FROM THE BOARD

---



**SHENWAN HONGYUAN (H.K.) LIMITED**  
**申萬宏源(香港)有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 218)**

*Directors:*

**Executive**

Zhu Minjie (*Chairman*)

Lu Wenqing

Chen Xiaosheng

Guo Chun (*Chief Executive Officer*)

Lee Man Chun Tony

*Registered Office:*

Level 19

28 Hennessy Road

Hong Kong

**Non-executive**

Zhang Lei

**Independent Non-executive**

Ng Wing Hang Patrick

Kwok Lam Kwong Larry

Zhuo Fumin

13 April 2016

*To the Shareholders*

Dear Sir or Madam,

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

**INTRODUCTION**

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

---

## LETTER FROM THE BOARD

---

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

### RE-ELECTION OF DIRECTORS

Pursuant to the following requirements:

1. Article 95 of the Articles of Association states that any director newly appointed shall hold office only until the first general meeting of the Company after his appointment and shall then be eligible for re-election;
2. Article 104(A) of the Articles of Association states that at each annual general meeting, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election. The retiring Directors shall be eligible for re-election; and
3. Code provision A.4.3 of the Corporate Governance Code set out in Appendix 14 of the Listing Rules states that if an independent non-executive director has served for more than nine years, his further appointment should be subject to a separate resolution to be approved by the shareholders;

Messrs. Zhu Minjie, Chen Xiaosheng, Lu Wenqing, Zhang Lei, Ng Wing Hang Patrick, Kwok Lam Kwong Larry and Zhu Fumin, shall retire at the conclusion of the Annual General Meeting. With the exception of Mr. Lu Wenqing who has informed the Board that he will not stand for re-election and accordingly will retire as Executive Director after the conclusion of the Annual General Meeting, the other retiring Directors, being eligible, will offer themselves for re-election.

---

## LETTER FROM THE BOARD

---

The re-appointment of directors has been reviewed by the Nomination Committee which made recommendation to the Board that the re-election be proposed for Shareholders' approval at the Annual General Meeting. The Nomination Committee has also reviewed and assessed the independence of each individual Independent Non-executive Director, including those to be re-elected at the Annual General Meeting, based on the annual confirmation of independence (against the independence guidelines as set out in rule 3.13 of the Listing Rules) provided by such directors and considered that notwithstanding the fact that the Independent Non-executive Directors have served the Company for more than nine years, there are no circumstances which are likely to affect their independence as Independent Non-executive Directors. The Board considered that the Independent Non-executive Directors remained independent notwithstanding the length of their service and believed that their valuable knowledge and experience in the Group's business and their general business acumen continue to generate significant contribution to the Board, the Company and the Shareholders as a whole.

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

**Mr. Zhu Minjie**, aged 50, was appointed as an Executive Director and the Chairman of the Company on 5 March 2016. Mr. Zhu is also the Deputy General Manager of Shenwan Hongyuan Securities Co., Ltd. He joined the former Shanghai International Securities Co., Ltd. in 1988 and held various positions. Mr. Zhu has over 27 years of experience in the securities industry. He was accredited as Economist by Economics Intermediate Professional and Technical Title Evaluating Committee\* (經濟系列中級專業技術職務任職資格評審委員會) of Shanghai Foreign Economics & Trade Commission in 1992. Mr. Zhu graduated from Shanghai Polytechnic University and also holds a Master's Degree in Economics from Fudan University in Shanghai.

Save as disclosed above, Mr. Zhu did not hold any other directorship in listed public company in the last three years.

Mr. Zhu is a director of Shenwan Hongyuan (International) Holdings Limited, Venture-Some Investments Limited and Shenwan Hongyuan Holdings (B.V.I.) Limited, the controlling and substantial shareholders of the Company. He also holds directorships in certain wholly-owned subsidiaries of the Company. Save as disclosed above, he does not have any relationship with any other Director, senior management, controlling shareholder or substantial shareholder of the Company.

\* For identification purpose only

---

## LETTER FROM THE BOARD

---

Mr. Zhu does not have interests in the shares of the Company within the meaning of Part XV of the SFO. Pursuant to a letter of appointment issued by the Company, Mr. Zhu was appointed as an Executive Director of the Company for a term commencing from 5 March 2016 to the conclusion of the annual general meeting of the Company to be held in 2019 and subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Zhu does not receive any remuneration in respect of his directorship in the Company.

In relation to the re-election of Mr. Zhu as Director, there is no other information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders.

**Mr. Chen Xiaosheng**, aged 46, was appointed as an Executive Director of the Company on 5 March 2016. Mr. Chen is also the Assistant to General Manager of Shenwan Hongyuan Securities Co., Ltd and General Manager of Institutional Business of Shenwan Hongyuan Securities Co., Ltd as well as General Manager of SWS Research Co., Ltd. He also serves as a member of the Board of Supervisors of the Securities Association of China. From 1994 to 2015, Mr. Chen held various positions at Shenyin & Wanguo Securities Co., Ltd., the former of Shenwan Hongyuan Group Co., Ltd. He has over 20 years of experience in the securities industry. Mr. Chen was accredited as Securities Analyst by the Securities Association of China in 2011. He graduated from Shanghai Jiaotong University with a Master's Degree in Structural Engineering and also holds an Executive Master of Business Administration Degree from Arizona State University, United States of America.

Save as disclosed above, Mr. Chen did not hold any other directorship in listed public company in the last three years.

Mr. Chen is a director of Shenwan Hongyuan (International) Holdings Limited, Venture-Some Investments Limited and Shenwan Hongyuan Holdings (B.V.I.) Limited, the controlling and substantial shareholders of the Company. He also holds directorships in certain wholly-owned subsidiaries of the Company. Save as disclosed above, he does not have any relationship with any other Director, senior management, controlling shareholder or substantial shareholder of the Company.

Mr. Chen does not have interests in the shares of the Company within the meaning of Part XV of the SFO. Pursuant to a letter of appointment issued by the Company, Mr. Chen was appointed as an Executive Director of the Company for a term commencing from 5 March 2016 to the conclusion of the annual general meeting of the Company to be held in 2019 and subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Chen does not receive any remuneration in respect of his directorship in the Company.

---

## LETTER FROM THE BOARD

---

In relation to the re-election of Mr. Chen as Director, there is no other information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders.

**Mr. Zhang Lei**, aged 47, 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 Shenyin & Wanguo Securities Co., Ltd., the former of Shenwan Hongyuan Group Co., Ltd., as Deputy Manager of Client Asset Management Division. 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.

Save as disclosed above, Mr. Zhang did not hold any other directorship in listed public company in the last three years.

Mr. Zhang is a director of Shenwan Hongyuan Holdings (B.V.I.) Limited, a controlling and substantial shareholder of the Company. Save as disclosed above, he does not have any relationship with any other Director, senior management, controlling shareholder or substantial shareholder of the Company.

Mr. Zhang does not have interests in the Shares of the Company within the meaning of Part XV of the SFO. Pursuant to a letter of appointment issued by the Company, Mr. Zhang was appointed as a Non-executive Director of the Company for a term until the conclusion of the Annual General Meeting of the Company to be held in 2016 and subject to retirement by rotation and re-election in accordance with the Articles of Association. The remuneration of Mr. Zhang is determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions. Mr. Zhang did not receive any remuneration in respect of his directorship in the Company for the year ended 31 December 2015.

In relation to the re-election of Mr. Zhang as Director, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders.



---

## LETTER FROM THE BOARD

---

**Mr. Ng Wing Hang Patrick**, aged 63, 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 graduated from The Hong Kong Polytechnic University in 1975.

Save as disclosed above, Mr. Ng did not hold any other directorship in listed public company in the last three years.

Mr. Ng has no financial or family relationships with any other Director, senior management, controlling shareholder or substantial shareholder of the Company.

Mr. Ng does not have interests in the Shares of the Company within the meaning of Part XV of the SFO. Pursuant to a letter of appointment issued by the Company, Mr. Ng was appointed as an Independent Non-executive Director of the Company for a term until the conclusion of the annual general meeting of the Company to be held in 2017 and subject to retirement by rotation and re-election in accordance with the Articles of Association. The remuneration of Mr. Ng is determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions. Mr. Ng received a sum of HK\$180,000 being remuneration in respect of his directorship in the Company for the year ended 31 December 2015.

In relation to the re-election of Mr. Ng as Director, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders.

**Mr. Kwok Lam Kwong Larry, B.B.S., J.P.**, aged 60, 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.

---

## LETTER FROM THE BOARD

---

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 and Starlite Holdings Limited, all of which are listed on the Hong Kong Stock Exchange. Mr. Kwok was an Independent Non-executive Director of Pacific Andes International Holdings Limited and Hang Fat Ginseng Holdings Company Limited, which are listed on the Hong Kong Stock Exchange, until he resigned on 10 December 2015 and 22 February 2016 respectively.

Save as disclosed above, Mr. Kwok did not hold any other directorship in listed public company in the last three years.

Mr. Kwok has no financial or family relationships with any other Director, senior management, controlling shareholder or substantial shareholder of the Company.

Mr. Kwok does not have interests in the Shares of the Company within the meaning of Part XV of the SFO. Pursuant to a letter of appointment issued by the Company, Mr. Kwok was appointed as an Independent Non-executive Director of the Company for a term until the conclusion of the annual general meeting of the Company to be held in 2017 and subject to retirement by rotation and re-election in accordance with the Articles of Association. The remuneration of Mr. Kwok is determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions. Mr. Kwok received a sum of HK\$180,000 being remuneration in respect of his directorship in the Company for the year ended 31 December 2015.

In relation to the re-election of Mr. Kwok as Director, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders.

---

## LETTER FROM THE BOARD

---

**Mr. Zhuo Fumin**, aged 64, 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 and Arcplus Group PLC, which are listed on the Shanghai Stock Exchange, an Independent Director of Hedy Holding Co., Ltd., which is listed on the Shenzhen Stock Exchange, a Non-executive Director of Besunyun Holdings Company Limited and also an Independent Non-executive Director of SRE Group Limited and Sinopharm Group Co. Ltd., all of which are listed on the Hong Kong Stock Exchange. Mr. Zhuo was an Independent Director of Focus Media Holding Ltd., which was previously listed on the NASDAQ Stock Market and delisted in May 2013, and a Director of Grandhope Biotech Co., Ltd., which is listed on the Shenzhen Stock Exchange, until he resigned on 5 August 2013.

Save as disclosed above, Mr. Zhuo did not hold any other directorship in listed public company in the last three years.

Mr. Zhuo has no financial or family relationships with any other Director, senior management, controlling shareholder or substantial shareholder of the Company.

Mr. Zhuo does not have interests in the Shares of the Company within the meaning of Part XV of the SFO. Pursuant to a letter of appointment issued by the Company, Mr. Zhuo was appointed as an Independent Non-executive Director of the Company for a term until the conclusion of the Annual General Meeting of the Company to be held in 2016 and subject to retirement by rotation and re-election in accordance with the Articles of Association. The remuneration of Mr. Zhuo is determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions. Mr. Zhuo received a sum of HK\$180,000 being remuneration in respect of his directorship in the Company for the year ended 31 December 2015.

In relation to the re-election of Mr. Zhuo as Director, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders.

---

## LETTER FROM THE BOARD

---

### GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 15 May 2015, resolutions were passed granting to the Directors a general and unconditional mandate (1) to issue further Shares representing up to 20% of the aggregate number of shares in issue of the Company; and (2) to issue Shares not exceeding the aggregate number of shares repurchased. This general mandate will expire at the conclusion of the Annual General Meeting of the Company to be held on 13 May 2016.

At the Annual General Meeting, it will be proposed that the Directors be granted a general mandate to allot, issue and deal with Shares not exceeding 20 per cent of the number of shares in issue of the Company as at the date when the relevant ordinary resolution is passed. As such, the maximum number of Shares which may be issued pursuant to the General Mandate will be 159,227,737. The total number of Shares subject to the General Mandate will be increased by the addition thereto of any Shares repurchased by the Company under the proposed Repurchase Mandate.

### REPURCHASE MANDATE

At the annual general meeting of the Company held on 15 May 2015, resolution was passed granting to the Directors all the powers to repurchase up to 10% of the aggregate number of shares in issue of the Company. This general mandate will expire at the conclusion of the Annual General Meeting of the Company to be held on 13 May 2016.

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

---

## LETTER FROM THE BOARD

---

### **Exercise of The Repurchase Mandate**

As at the Latest Practicable Date, the total number of shares in issue of the Company was 796,138,689 Shares.

Subject to the passing of the ordinary resolution to approve the Repurchase Mandate, and on the basis that no further Shares will be issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to purchase a maximum of 79,613,868 Shares.

### **Reasons for Repurchases**

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

### **Funding of Repurchases**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association, the laws of Hong Kong and the Listing Rules. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company.

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

---

## LETTER FROM THE BOARD

---

### Share Prices

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in the previous twelve months from 1 March 2015 to 31 March 2016 and up to the Latest Practicable Date were as follows:

Share Price	Highest (HK\$)	Lowest (HK\$)
<b>2015</b>		
March	6.60	4.99
April	9.75	6.23
May	8.54	7.46
June	8.13	5.60
July	6.08	2.53
August	4.19	2.61
September	3.39	2.80
October	3.68	3.12
November	4.58	3.29
December	4.16	3.49
<b>2016</b>		
January	3.86	2.79
February	3.45	2.80
March	4.02	3.17
April (up to the Latest Practicable Date)	3.78	3.60

### Disclosure of Interests

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) has any present intention to sell Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

No core connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell the Shares to the Company, or have undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

---

## LETTER FROM THE BOARD

---

### **Directors' Undertaking**

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

### **Share Repurchases made by the Company**

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

### **Takeovers Code Consequences**

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

In the event that the Repurchase Mandate is exercised in full, the interest of Shenwan Hongyuan Group Co., Ltd., the ultimate controlling shareholder of the Company, in the issued Shares would increase from 50.98%, as at the Latest Practicable Date, to 56.64% approximately. Therefore, Shenwan Hongyuan Group Co., Ltd. shall not be subject to any obligation under Rule 26 of the Takeovers Code. Besides, the Directors are not aware of any Shareholder, or any group of Shareholders acting in concert, who may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code in the event that the Directors exercise the power to repurchase Shares pursuant to the Repurchase Mandate.

---

## LETTER FROM THE BOARD

---

### ANNUAL GENERAL MEETING

Set out on pages 16 to 20 of this circular is the notice convening the Annual General Meeting at which ordinary resolutions will be proposed to approve the re-election of the retiring Directors, to grant to the Directors the general mandates to issue and repurchase Shares as well as a special resolution will be proposed to approve the change of company name.

Whether or not you are able to attend the meeting, you are advised to complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Company's registered office at Level 19, 28 Hennessy Road, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the meeting or any adjourned meeting if you so wish.

### VOTING BY POLL

All the resolutions set out in the notice of the Annual General Meeting shall be decided by poll in accordance with the Listing Rules. An explanation of the detailed procedures of conducting a poll will be provided to Shareholders at the commencement of the Annual General Meeting, to ensure that Shareholders are familiar with such procedures.

After the conclusion of the Annual General Meeting, the poll results shall be published on the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> and the Company's website at <http://www.swhyhk.com>.

### RECOMMENDATION

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

Yours faithfully,  
On behalf of the Board  
**Zhu Minjie**  
*Chairman*



---

## NOTICE OF ANNUAL GENERAL MEETING

---



### SHENWAN HONGYUAN (H.K.) LIMITED 申萬宏源(香港)有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 218)**

#### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the members of Shenwan Hongyuan (H.K.) Limited (the “Company”) will be held at the TALK Meeting Room at 2nd Floor, OZO Wesley Hong Kong, 22 Hennessy Road, Wanchai, Hong Kong, on Friday, 13 May 2016 at 9:30 a.m. for the following purposes:

#### ORDINARY RESOLUTIONS

1. To receive and adopt the Audited Consolidated Financial Statements and the Reports of Directors and Independent Auditors for the year ended 31 December 2015;
2. To declare a final dividend;
3. (a) To re-elect Directors; and  
  
(b) To authorise the Board of Directors to fix Directors’ fees for the year ending 31 December 2016;
4. To re-appoint Auditors and authorise the Board of Directors to fix their remuneration;

As special business to consider and, if thought fit, pass with or without amendments, the following Ordinary Resolutions:

5. “**THAT:**
  - (a) subject to sub-paragraph (c) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares or securities convertible into shares, or options, warrants or similar rights to

---

## NOTICE OF ANNUAL GENERAL MEETING

---

subscribe for any shares, and to make or grant offers, agreements and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;

- (b) the approval in sub-paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in sub-paragraph (a) of this Resolution, otherwise than pursuant to:
  - (i) a Rights Issue (as hereinafter defined);
  - (ii) the exercise of rights of subscription or conversions attaching to any warrants issued by the Company or any securities which are convertible into shares;
  - (iii) any option scheme or similar arrangements for the time being adopted for the grant or issue to officers and/or employees of the Company and/or its subsidiaries of shares or rights to acquire shares of the Company; or
  - (iv) any scrip dividend scheme or similar arrangements providing for the allotment of shares of the Company in lieu of the whole or a part of a dividend on such shares in accordance with the Articles of Association of the Company;

shall not exceed 20 per cent of the aggregate number of shares of the Company in issue at the date of the passing of this Resolution, and this approval shall be limited accordingly; and

- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of the Company;

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares whose names appear on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of or the requirements of any recognized regulatory body or any stock exchange in any territory applicable to the Company).”

6. **“THAT:**

- (a) subject to sub-paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and is recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares of the Company to be repurchased by the Company pursuant to the approval in sub-paragraph (a) above shall not exceed 10 per cent of the aggregate number of shares of the Company in issue as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and

---

## NOTICE OF ANNUAL GENERAL MEETING

---

(c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of the Company;
  - (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; and
  - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”
7. “**THAT** conditional upon the passing of Ordinary Resolutions 5 and 6, the general mandate granted to the Directors of the Company to exercise the power of the Company to allot, issue and deal with shares pursuant to Ordinary Resolution 5 set out in the notice convening this Meeting be and is hereby extended by the addition thereto of an amount representing the aggregate number of shares of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution 6 set out in the notice convening this Meeting, provided that such amount shall not exceed 10 per cent of the aggregate number of shares in issue of the Company at the date of passing of this Ordinary Resolution.”

By order of the Board  
**Wong Che Keung Leslie**  
*Company Secretary*

Hong Kong, 13 April 2016

*As at the date of this notice, the Board of the Company comprises 9 directors, of which Mr. Zhu Minjie, Mr. Lu Wenqing, Mr. Chen Xiaosheng, Mr. Guo Chun and Mr. Lee Man Chun Tony are the executive directors, Mr. Zhang Lei is the non-executive director, Mr. Ng Wing Hang Patrick, Mr. Kwok Lam Kwong Larry and Mr. Zhuo Fumin are the independent non-executive directors.*

---

## NOTICE OF ANNUAL GENERAL MEETING

---

*Notes:*

1. The register of members of the Company will be closed for the following periods:
  - a. from Monday, 9 May 2016 to Friday, 13 May 2016, both days inclusive, during which period no transfers of shares of the Company will be registered. In order to qualify for attending and voting at the 2016 Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Registrars, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:30 p.m. on Friday, 6 May 2016; and
  - b. from Thursday, 19 May 2016 to Friday, 20 May 2016, both days inclusive, during which period no transfers of shares of the Company will be registered. In order to qualify for the proposed final dividend (which is described in the 2015 annual report of the Company), all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Registrars, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:30 p.m. on Wednesday, 18 May 2016.
2. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote on his behalf and such proxy need not be a member of the Company.
3. In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notorially certified copy of the power of attorney or authority, must be deposited at the registered office of the Company not later than 48 hours before the time appointed for holding the meeting (or the adjourned meeting as the case may be).
4. Concerning Ordinary Resolutions 5 to 7, the Directors of the Company wish to state that they have no immediate plans to issue any new shares of the Company or repurchase any existing shares of the Company.
5. An explanatory statement as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in connection with the proposed repurchase mandate under Ordinary Resolution 6 above is set out on pages 11 to 14 of this circular.
6. In case the general meeting is anticipated to be affected by black rainstorm or tropical cyclone with warning signal No. 8 or above, please refer to the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> and the Company's website at <http://www.swwhyhk.com> for announcement on bad weather arrangement for the general meeting.