
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.

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

(Incorporated in Hong Kong with limited liability)

(Stock code: 218)

**RESOLUTIONS FOR THE REMOVAL
AND
APPOINTMENT OF AUDITORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the extraordinary 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, 4 November 2016 at 10:00 a.m. is set out on pages 4 and 5 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed with this circular. Whether or not you are able to attend the extraordinary general meeting, you are advised to complete the accompanying form of proxy 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 but in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjourned meeting should you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.

19 October 2016



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DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	Shenwan Hongyuan (H.K.) Limited, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“E&Y”	Ernst & Young
“EGM”	the extraordinary general meeting of the Company to be convened for the purposes of considering and passing the resolutions relating to the change of auditors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“KPMG”	KPMG
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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)

Executive Directors:

Mr. Zhu Minjie (*Chairman*)
Mr. Chen Xiaosheng
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 October 2016

To the Shareholders

Dear Sir or Madam,

**RESOLUTIONS FOR THE REMOVAL
AND
APPOINTMENT OF AUDITORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the EGM relating to the removal and appointment of auditors to enable you to make an informed decision on whether to vote for or against the resolutions.

RESOLUTIONS FOR THE REMOVAL AND APPOINTMENT OF AUDITORS

Pursuant to the relevant ordinary resolution passed at the annual general meeting of the Company held on 13 May 2016, the Shareholders approved the re-appointment of E&Y as auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company.

LETTER FROM THE BOARD

However, the Company has received a request on 26 September 2016 from a Shareholder, Shenwan Hongyuan (International) Holdings Limited, which directly holds 0.42% of the issued Shares of the Company and indirectly holds 50.56% of the issued Shares of the Company. Pursuant to which, the Shareholder requesting the Board to call an extraordinary general meeting to seek approval from the Shareholders for the change of auditors of the Company from E&Y to KPMG. The Shareholder is of the view that the change of auditors of the Company would better align the audit arrangements between the Company and the Shareholder. The audit committee of the Company has assessed and considered that KPMG is eligible and suitable to act as auditors of the Company. Accordingly, the Board has resolved to call the EGM for the purposes of enabling the Shareholders to consider and vote the resolutions relating to the change of auditors of the Company.

E&Y has confirmed in writing that there are no matters regarding the removal that needs to bring to the attention of the Board. The Board has also confirmed that there is no disagreement between E&Y and the Company, and there are no other matters in respect of the removal that need to be brought to the attention of the Shareholders.

EGM

A notice convening the EGM to be held at the TALK Meeting Room at 2nd Floor, OZO Wesley Hong Kong, 22 Hennessy Road, Wanchai, Hong Kong on Friday, 4 November 2016 at 10:00 a.m. is set out on pages 4 and 5 of this circular at which ordinary resolutions will be proposed at the EGM relating to the removal and appointment of auditors.

A proxy form for use at the EGM is enclosed herewith and is also published on the website of the Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the website of the Company (<http://www.swhyhk.com>). Whether or not you are able to attend the EGM, you are advised to complete and return the accompanying proxy form in accordance with the instructions printed thereon to the Company's registered office at Level 19, 28 Hennessy Road, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be) should you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. An explanation of the detailed procedures of conducting a poll will be provided to Shareholders at the commencement of the EGM, to ensure that Shareholders are familiar with such procedures.

The poll results will be published on the website of the Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the website of the Company (<http://www.swhyhk.com>) after the conclusion of the EGM.

Yours faithfully,
On behalf of the Board
Zhu Minjie
Chairman

NOTICE OF EXTRAORDINARY 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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting 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, 4 November 2016 at 10:00 a.m. for the purposes of considering and, if thought fit, passing, with or without amendments or modifications, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT** Ernst & Young be removed as auditors of the Company with effect immediately after the conclusion of the extraordinary general meeting.”
2. “**THAT** conditional upon the passing of Resolution 1, KPMG be appointed as auditors of the Company with effect immediately after the conclusion of the extraordinary general meeting and to hold office until the conclusion of the annual general meeting of the Company to be held in 2017, and the board of directors of the Company be authorised to fix their remuneration.”

By order of the Board
Wong Che Keung Leslie
Company Secretary

Hong Kong, 19 October 2016

As at the date of this notice, the Board comprises 8 Directors, of which Mr. Zhu Minjie, 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 EXTRAORDINARY GENERAL MEETING

Notes:

1. The register of members of the Company will be closed from Thursday, 3 November 2016 to Friday, 4 November 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 extraordinary 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 not later than 4:30 p.m. on Wednesday, 2 November 2016.
2. A member entitled to attend and vote at the extraordinary general 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. When there are joint holders of any share, any one of such joint holders may vote at the extraordinary general meeting, either personally or by proxy, in respect of such share(s) as if he were solely entitled thereto; but if more than one of such joint holders are present at the extraordinary general meeting, either personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company shall alone be entitled to vote in respect of it.
4. 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 notarially certified copy of such power of attorney or authority, must be deposited at the registered office of the Company at Level 19, 28 Hennessy Road, Hong Kong not less than 48 hours before the time appointed for the holding of the extraordinary general meeting (or the adjourned meeting as the case may be).
5. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll. An explanation of the detailed procedures of conducting a poll will be provided to shareholders at the commencement of the extraordinary general meeting, to ensure that shareholders are familiar with such procedures.
7. 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.swhyhk.com> for announcement on bad weather arrangement for the general meeting.