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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)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO
THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

Reference is made to the annual report of Shenwan Hongyuan (H.K.) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2016 (the “**Annual Report**”) published on the websites of The Stock Exchange of Hong Kong Limited and the Company on 6 April 2017.

Further to the information disclosed in the Annual Report, the Company wishes to provide the shareholders of the Company and the potential investors with the following supplementary information.

Approved Bonuses

As disclosed in page 29, 99, 100 and 102 of the Annual Report, the evaluation of the performance of the Executive Directors and certain employees had not been completed and, thus, the amounts of their remuneration had not yet been determined then.

The Company wishes to update the shareholders of the Company and the potential investors that the bonuses of the Executive Directors and certain employees have been determined. Taking into account of the actual amount of bonuses to above-mentioned persons, the relevant sections in the Annual Report will read as follows:

On page 29 of the Annual Report:

For the financial year ended 31 December 2016, the remuneration of the members of the senior management by band is set out below:

<u>Remuneration bands</u>	<u>Number of senior management</u>
Nil – HK\$3,000,000	1
HK\$3,000,001 – HK\$5,000,000	1
HK\$5,000,001 – HK\$7,000,000	1

On page 99 of the Annual Report:

7. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	For the year ended 31 December	
	2016	2015
	HK\$'000	HK\$'000
Fees	<u>540</u>	<u>540</u>
Other emoluments:		
Salaries, allowances and benefits in kind	6,383	10,519
Retirement benefit scheme contributions	<u>200</u>	<u>200</u>
	<u>6,583</u>	<u>10,719</u>
	<u>7,123</u>	<u>11,259</u>

On page 100 of the Annual Report:

7. DIRECTORS' REMUNERATION (*Cont'd*)

(b) Executive directors and non-executive directors

The remuneration paid to executive directors and non-executive directors during the year was as follows:

	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Retirement benefit scheme contributions HK\$'000	Total remuneration HK\$'000
For the year ended 31 December 2016				
Executive directors:				
Chu Xiaoming (resigned on 5 March 2016)	-	-	-	-
Zhu Minjie (appointed on 5 March 2016)	-	-	-	-
Lu Wenqing (retired on 12 May 2016)	-	-	-	-
Chen Xiaosheng (appointed on 5 March 2016)	-	-	-	-
Guo Chun	-	4,083	-	4,083
Lee Man Chun Tony	-	2,300	200	2,500
	-	6,383	200	6,583
Non-executive director:				
Zhang Lei	-	-	-	-
	-	6,383	200	6,583

On page 102 of the Annual Report:

8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors (2015: one director), details of whose remuneration are set out in note 7 above. Details of the remuneration for the year of the remaining three (2015: four) non-directors, highest paid employees are as follows:

	For the year ended 31 December	
	2016	2015
	HK\$'000	HK\$'000
Salaries, allowances and benefits in kind	8,102	9,302
Bonus	3,785	9,569
Retirement benefit scheme contributions	681	472
	<u>12,568</u>	<u>19,343</u>

The number of non-directors, highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2016	2015
HK\$2,500,001 to HK\$3,000,000	1	–
HK\$3,000,001 to HK\$3,500,000	–	–
HK\$3,500,001 to HK\$4,000,000	–	–
HK\$4,000,001 to HK\$4,500,000	–	3
HK\$4,500,001 to HK\$5,000,000	1	–
HK\$5,000,001 to HK\$5,500,000	1	–
HK\$5,500,001 to HK\$6,000,000	–	–
HK\$6,000,001 to HK\$6,500,000	–	1
	<u>3</u>	<u>4</u>

On page 119 of the Annual Report:

28. RELATED PARTY TRANSACTIONS (Cont'd)

(b) Compensation of key management personnel of the Group:

	For the year ended 31 December	
	2016	2015
	HK\$'000	HK\$'000
Short term employee benefits	34,912	54,737
Post-employment benefits	1,763	1,664
	<u>36,675</u>	<u>56,401</u>

General

Save as disclosed in this announcement, the contents of the Annual Report remain unchanged.

By order of the Board
Shenwan Hongyuan (H.K.) Limited
Wong Che Keung Leslie
Company Secretary

Hong Kong, 12 May 2017

As at the date of this announcement, 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.