

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 RETIRING DIRECTORS
GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Shenwan Hongyuan (H.K.) Limited (the “Company”) to be held at Empire Room I, 1/F, Empire Hotel Hong Kong, 33 Hennessy Road, Wanchai, Hong Kong on Friday, 22 May 2020 at 9:30 a.m. is set out on pages 13 to 17 of this circular. Whether or not you are able to attend the annual general 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 but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting should you so wish.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the recent development of the COVID-19 pandemic, the Company will implement the following precautionary measures at the annual general meeting to protect our shareholders from the risk of infection:

- compulsory body temperature check
- every attendee is required to wear surgical face mask
- no refreshment or drinks will be served

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry to the annual general meeting venue at the absolute discretion of the Company.

For the health and safety of our shareholders, the Company would like to encourage shareholders to exercise their right to vote at the annual general meeting by appointing the chairman of the meeting as their proxy instead of attending the annual general meeting in person.

21 April 2020



This circular is printed on FSCTM Certified and other controlled material. Pulps used are chlorine-free and acid-free. The FSCTM logo identifies products which contain wood from well-managed forests certified in accordance with the rules of the Forest Stewardship Council[®].

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
1. Introduction	3
2. Re-election of Retiring Directors	4
3. General Mandate to Issue Shares	8
4. Repurchase Mandate	8
5. Annual General Meeting	11
6. Voting by Poll	12
7. Recommendation	12
Notice of Annual General Meeting	13

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Empire Room I, 1/F, Empire Hotel Hong Kong, 33 Hennessy Road, Wanchai, Hong Kong on Friday, 22 May 2020 at 9:30 a.m. or any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“Board”	the board of Directors of the Company
“Company”	Shenwan Hongyuan (H.K.) Limited, the shares of which are listed on the Stock Exchange
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of HongKong)
“Director(s)”	the 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 21 April 2020
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	15 April 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“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 21 April 2020
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time
“%”	per cent



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:

Chen Xiaosheng (*Chairman*)

Zhang Jian

Guo Chun (*Deputy Chairman*)

Wu Meng

Qiu Yizhou (*Chief Executive Officer*)

Registered Office:

Level 19

28 Hennessy Road

Hong Kong

Non-executive Director:

Zhang Lei

Independent Non-executive Directors:

Ng Wing Hang Patrick

Kwok Lam Kwong Larry

Chen Liqiang

21 April 2020

To the Shareholders

Dear Sir or Madam,

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

1. INTRODUCTION

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

LETTER FROM THE BOARD

The resolutions include (i) re-election of retiring 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.

2. RE-ELECTION OF RETIRING 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 shareholder;

Ms. Wu Meng, Mr. Guo Chun, Mr. Ng Wing Hang Patrick and Mr. Kwok Lam Kwong Larry, shall retire at the conclusion of the Annual General Meeting and being eligible, will offer themselves for re-election.

Having regard to the director nomination policy of the Company, the Nomination Committee has reviewed and considered the biographical and background information of each retiring Director (including but not limited to skills, knowledge, professional experience, gender, age, cultural and educational background as set out in the board diversity policy of the Company), and recommended to the Board that the re-election of all retiring Directors be proposed for Shareholders' approval at the Annual General Meeting. The Nomination Committee and the Board have also reviewed and assessed the independence of each individual Independent Non-executive Director including those to be re-elected at the Annual General Meeting, namely Messrs. Ng Wing Hang Patrick and Kwok Lam Kwong Larry who have served the Company for more than nine years, 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 all Independent Non-executive Directors are still regarded as independent. Notwithstanding the fact that Messrs Ng Wing Hang Patrick and Kwok Lam Kwong Larry 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 and the Board considered that they are still regarded as independent and believed that

LETTER FROM THE BOARD

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:

Ms. Wu Meng, aged 38, was appointed as an Executive Director of the Company on 10 August 2019. Ms. Wu is also a general manager of the International Business Division of Shenwan Hongyuan Securities Co., Ltd.. In addition, Ms. Wu is a general manager and director of Shenwan Hongyuan (International) Holdings Limited and a director of Venture-Some Investments Limited, both are the controlling and substantial shareholders of the Company. Prior to joining Shenwan Hongyuan Securities Co., Ltd. in June 2016, she worked for corporate finance division of China Jianyin Investment Ltd. from July 2006 to May 2008, and worked for Central Huijin Investment Ltd. from June 2008 to May 2016 during which she held various positions in capital market department and securities institutions department/insurance institutions department. Ms. Wu has more than 10 years' experience in corporate finance business, and equity management of securities and insurance companies. Ms. Wu graduated from Shandong University with a Bachelor's Degree of Economics in International Economics and Trade, and also holds a Master's Degree of Science in Finance and Investment from Queen Mary and Westfield College to the University of London and a Ph.D. of Management in Management of Agricultural Economy from China Agricultural University.

Save as disclosed above, Ms. Wu did not hold any other directorships in other Hong Kong or overseas listed public companies in the last three years, and as at the Latest Practicable Date, she does not hold any other position with the Company or its subsidiaries and does not have any relationship with any other Director, senior management, controlling shareholder or substantial shareholder of the Company.

Ms. Wu does not have interests in the Shares of the Company within the meaning of Part XV of the SFO. Ms. Wu was appointed as an Executive Director of the Company for a term commencing from 10 August 2019 and shall hold office until the first general meeting of the Company after her appointment and shall then be eligible for re-election; and thereafter subject to retirement by rotation and re-election in accordance with the Articles of Association, applicable laws and other regulatory requirements. Ms. Wu did not receive any remuneration for acting as Executive Director of the Company.

In relation to the re-election of Ms. Wu 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. Guo Chun, aged 55, was appointed as an Executive Director of the Company in May 2000 and as the Deputy Chairman of the Board of the Company on 11 August 2018. He served as chief executive officer of the Company from 9 March 2012 to 10 August 2018. Mr. Guo is also a director of Shenwan Hongyuan Holdings (B.V.I.) Limited, a controlling and substantial shareholder of the Company. He has been working in the securities industry of the People's Republic of China (the "PRC") since 1987 and has 32 years' extensive experience in

LETTER FROM THE BOARD

stockbroking and corporate finance in the PRC. Before joining the former Shanghai Shenyin Securities Co., Ltd. and served as a regional superintendent in Shanghai in 1990, Mr. Guo worked for the Industrial and Commercial Bank of China. Mr. Guo acted as the general manager of the International Business Division of Shenyin & Wanguo Securities Co., Ltd., the former of Shenwan Hongyuan Group Co., Ltd., and Shenwan Hongyuan Securities Co., Ltd. from May 2008 to March 2012 and from February 2014 to June 2019. 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, the United States of America.

Save as disclosed above, Mr. Guo did not hold any other directorship in other Hong Kong or overseas listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Guo 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. Guo 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. Guo was appointed as an Executive Director of the Company for a term until the conclusion of the annual general meeting of the Company to be held in 2021 and subject to retirement by rotation and re-election in accordance with the Articles of Association, applicable laws and other regulatory requirements. Mr. Guo did not receive any director's fee for acting as Executive Director of the Company for the year ended 31 December 2019. However, he received a sum of HK\$3,047,835.81 being salaries, allowances, benefit in kind and performance related discretionary bonuses in respect of his position as Deputy Chairman of the Board of the Company for the year ended 31 December 2019.

In relation to the re-election of Mr. Guo 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. Ng Wing Hang Patrick, aged 67, 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 other Hong Kong or overseas 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.

LETTER FROM THE BOARD

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 2020 and subject to retirement by rotation and re-election in accordance with the Articles of Association, applicable laws and other regulatory requirements. The remuneration of Mr. Ng is determined by the Board with reference to the remuneration benchmark in the industry and the prevailing market conditions. Mr. Ng received a director's fee of HK\$180,000 for the year ended 31 December 2019.

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, S.B.S., J.P., aged 64, 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 member of the Committee on Real Estate Investment Trusts of the Securities and Futures Commission and the Hospital Governing Committee of the Prince of Wales Hospital.

Mr. Kwok is currently a Non-executive Director of First Shanghai Investments Limited, an Independent Non-executive Director of Café de Coral Holdings Limited, Starlite Holdings Limited and AAC Technologies Holdings Inc., which are listed on the Hong Kong Stock Exchange.

Save as disclosed above, Mr. Kwok did not hold any other directorship in other Hong Kong or overseas 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 2020 and subject to retirement by rotation and re-election in accordance with the Articles of Association, applicable laws and other regulatory requirements. The remuneration of Mr. Kwok is determined by the Board with reference to the remuneration benchmark in the industry and the prevailing market conditions. Mr. Kwok received a director's fee of HK\$180,000 for the year ended 31 December 2019.

LETTER FROM THE BOARD

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.

3. GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 10 May 2019, 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 22 May 2020.

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% of the total 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 312,227,737. 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.

4. REPURCHASE MANDATE

At the annual general meeting of the Company held on 10 May 2019, 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 to repurchase of shares will expire at the conclusion of the Annual General Meeting of the Company to be held on 22 May 2020.

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% of the number of shares in issue of the Company as at the date when the Repurchase Mandate is granted.

Exercise of The Repurchase Mandate

As at the Latest Practicable Date, the total number of shares in issue of the Company was 1,561,138,689 Shares.

LETTER FROM THE BOARD

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 156,113,868 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 propose that such repurchases of Shares will be appropriately financed by the Company's internal resources and/or available banking facilities. There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated financial statements contained in the annual report of the Company for the year ended 31 December 2019 and taking into account the financial position of the Company as at the Latest Practicable Date, in the event that the proposed Share repurchases were to be carried out in full at any time during the proposed repurchase period. However, 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 Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

LETTER FROM THE BOARD

Share Prices

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the twelve months prior to the Latest Practicable Date and during April 2020 (up to and including the Latest Practicable Date) were as follows:

	Share Price	
	Highest (HK\$)	Lowest (HK\$)
2019		
April	2.22	1.82
May	1.86	1.54
June	1.56	1.29
July	1.46	1.32
August	1.40	1.12
September	1.36	1.16
October	1.22	1.10
November	1.24	1.01
December	1.30	1.01
2020		
January	1.45	1.06
February	1.30	1.06
March	1.21	0.88
April (up to and including the Latest Practicable Date)	1.02	0.90

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.

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.

LETTER FROM THE BOARD

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 75%, as at the Latest Practicable Date, to 83.33% 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.

5. ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting is set out on pages 13 to 17 of this circular at which ordinary resolutions will be proposed to approve the re-election of the retiring Directors, to grant to the Directors the general mandates and to issue and repurchase Shares.

A proxy form for use at the Annual General Meeting 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 Annual General Meeting, 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 Annual General Meeting 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 Annual General Meeting or any adjourned meeting thereof (as the case may be) should you so wish.

LETTER FROM THE BOARD

6. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in the notice of the Annual General Meeting shall be decided by poll. 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.

The poll results will 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>) after the conclusion of the Annual General Meeting.

7. RECOMMENDATION

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

Yours faithfully,
On behalf of the Board
Chen Xiaosheng
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 Empire Room I, 1/F, Empire Hotel Hong Kong, 33 Hennessy Road, Wanchai, Hong Kong, on Friday, 22 May 2020 at 9:30 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and adopt the Audited Consolidated Financial Statements, Report of the Directors and Independent Auditor’s Report for the year ended 31 December 2019;
2. To declare a final dividend;
3. (a) (i) To re-elect Ms. Wu Meng as executive Director;
(ii) To re-elect Mr. Guo Chun as executive Director;
(iii) To re-elect Mr. Ng Wing Hang Patrick as independent non-executive Director;
(iv) To re-elect Mr. Kwok Lam Kwong Larry as independent non-executive Director; and
(b) To authorise the Board of Directors to fix Directors’ fees for the year ending 31 December 2020;
4. To re-appoint Auditors and authorise the Board of Directors to fix their remuneration;

NOTICE OF ANNUAL GENERAL MEETING

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 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% 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% 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
- (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.”

NOTICE OF ANNUAL 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% 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, 21 April 2020

As at the date of this notice, the Board of the Company comprises 9 directors, of which Mr. Chen Xiaosheng, Mr. Zhang Jian, Mr. Guo Chun, Ms. Wu Meng and Mr. Qiu Yizhou are the executive directors, Mr. Zhang Lei is the non-executive director, Mr. Ng Wing Hang Patrick, Mr. Kwok Lam Kwong Larry and Mr. Chen Liqiang are the independent non-executive directors.

Notes:

1. The register of members of the Company will be closed for the following periods:
 - a. From Monday, 18 May 2020 to Friday, 22 May 2020, both days inclusive, during which period no transfers of Shares will be registered. In order to qualify for attending and voting at the 2020 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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration by no later than 4:30 p.m. on Friday, 15 May 2020; and
 - b. From Thursday, 28 May 2020 to Friday, 29 May 2020, both days inclusive, during which period no transfers of Shares will be registered. In order to qualify for the proposed final dividend (which is described in the 2019 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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration by no later than 4:30 p.m. on Wednesday, 27 May 2020.
2. A member entitled to attend and vote at the annual 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 annual 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 annual 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 proxy form 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 holding the annual general meeting (or the adjourned meeting as the case may be).

NOTICE OF ANNUAL GENERAL MEETING

5. Completion and return of the proxy form will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. Concerning Ordinary Resolutions 5 to 7, the Directors 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.
7. An explanatory statement as required by the Listing Rules in connection with the proposed repurchase mandate under Ordinary Resolution 6 above is set out on pages 8 to 11 of this circular.
8. Pursuant to 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 annual general meeting, to ensure that Shareholders are familiar with such procedures.
9. 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.
10. In view of the recent development of the COVID-19 pandemic, the Company will implement the following precautionary measures at the annual general meeting to protect our shareholders from the risk of infection:
 - a. compulsory body temperature check will be conducted for every shareholder, proxy or other attendee at the entrance of the annual general meeting venue. Any person with a body temperature above the reference range quoted by the Department of Health from time to time may be denied entry into the annual general meeting venue and be requested to leave the annual general meeting venue.
 - b. every shareholder, proxy or other attendee are required to wear surgical mask before they are permitted to attend and during their attendance of the annual general meeting, and to maintain a safe distance between seats. Please note that no masks will be provided at the annual general meeting venue and attendees should bring and wear their own masks.
 - c. No refreshment or drinks will be served at the annual general meeting.

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry to the annual general meeting venue at the absolute discretion of the Company.

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the annual general meeting arrangements at short notice. Shareholders should check the Company's website for future announcements and updates on the annual general meeting arrangements.