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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)

PROPOSALS INVOLVING

- (1) RE-ELECTION OF RETIRING DIRECTORS,**
- (2) GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES,**
- (3) AUTHORISATION TO THE BOARD ON ACQUIRING AND DISPOSING OF AN ASSET AND MAKING AN INVESTMENT,**
- (4) AUTHORISATION TO THE BOARD ON BORROWING AND PROVISION OF GUARANTEE AND ENTERING INTO A CONNECTED TRANSACTION,**
- (5) AUTHORISATION TO THE BOARD ON ESTABLISHING, ACQUIRING AND INVESTING IN ANY OPERATING INSTITUTION,**
- (6) AUTHORISATION TO THE BOARD ON ADOPTING AND APPROVING ANY OPERATING STRATEGY, DEVELOPMENT STRATEGY, INVESTMENT PLAN, ANNUAL FINANCIAL BUDGET OR FINAL ACCOUNTS OF THE COMPANY,**
- (7) AUTHORISATION TO THE BOARD ON APPOINTING AND REMOVING FROM OFFICE ANY DIRECTOR,**
- (8) AUTHORISATION TO THE BOARD ON DELEGATION OF POWERS OF THE BOARD UNDER ARTICLE 126 AND ARTICLE 127(C) OF THE NEW ARTICLES OF ASSOCIATION TO OTHERS;**
- AND**
- (9) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Shenwan Hongyuan (H.K.) Limited (the “**Company**”) to be held at Level 6, Three Pacific Place, 1 Queen’s Road East, Hong Kong on Thursday, 25 May 2023 at 9:30 a.m. is set out on pages 21 to 27 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 office of the Company at Level 6, Three Pacific Place, 1 Queen’s Road East, Hong Kong, as soon as possible but in any event not later than 48 hours before the time appointed for holding of the annual general meeting (i.e. 9:30 a.m. on Tuesday, 23 May 2023) or any adjournment 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 should you so wish.



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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 Level 6, Three Pacific Place, 1 Queen’s Road East, Hong Kong on Thursday, 25 May 2023 at 9:30 a.m. or any adjournment thereof
“New 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 Hong Kong)
“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 4 and 6 in the notice convening the Annual General Meeting dated 25 April 2023
“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”	21 April 2023, 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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share 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 25 April 2023

DEFINITIONS

“Share(s)”	ordinary share(s) of the Company
“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

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:

Wu Meng (*Chairman*)
Zhang Jian
Tan Weijun
Liang Jun (*Chief Executive Officer*)
Hu Jing

Registered Office:

Level 6
Three Pacific Place
1 Queen's Road East
Hong Kong

Non-executive Director:

Zhang Lei

Independent Non-executive Directors:

Ng Wing Hang Patrick
Kwok Lam Kwong Larry
Chen Liqiang

25 April 2023

To the Shareholders

Dear Sir or Madam,

PROPOSALS INVOLVING
(1) RE-ELECTION OF RETIRING DIRECTORS,
(2) GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES,
(3) AUTHORISATION TO THE BOARD ON ACQUIRING
AND DISPOSING OF AN ASSET AND MAKING AN INVESTMENT,
(4) AUTHORISATION TO THE BOARD ON BORROWING
AND PROVISION OF GUARANTEE AND ENTERING INTO
A CONNECTED TRANSACTION,
(5) AUTHORISATION TO THE BOARD ON
ESTABLISHING, ACQUIRING AND INVESTING IN ANY
OPERATING INSTITUTION,
(6) AUTHORISATION TO THE BOARD ON ADOPTING
AND APPROVING ANY OPERATING STRATEGY,
DEVELOPMENT STRATEGY, INVESTMENT PLAN, ANNUAL FINANCIAL
BUDGET OR FINAL ACCOUNTS OF THE COMPANY,
(7) AUTHORISATION TO THE BOARD ON APPOINTING
AND REMOVING FROM OFFICE ANY DIRECTOR,
(8) AUTHORISATION TO THE BOARD ON
DELEGATION OF POWERS OF THE BOARD UNDER
ARTICLE 126 AND ARTICLE 127(C) OF
THE NEW ARTICLES OF ASSOCIATION TO OTHERS;
AND
(9) NOTICE OF ANNUAL GENERAL MEETING

LETTER FROM THE BOARD

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.

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 Share Repurchase Mandate; (iii) granting to the Directors the Share Repurchase Mandate; (iv) authorisation to the Board on acquiring and disposing of an asset and making an investment; (v) authorisation to the Board on borrowing and provision of guarantee and entering into a connected transaction; (vi) authorisation to the Board on establishing, acquiring and investing in any operating institution; (vii) authorisation to the Board on adopting and approving any operating strategy, development strategy, investment plan, annual financial budget or final accounts of the Company; (viii) authorisation to the Board on appointing and removing from office any Director; and (ix) authorisation to the Board on delegation of powers of the Board under Article 126 and Article 127(C) of the Articles of Association to others.

2. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to the following requirements:

1. Article 100 of the New Articles of Association states that any Director newly appointed shall hold office only until the next following annual general meeting of the Company after his appointment and shall then be eligible for re-election;
2. Article 109(A) of the New 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 B.2.3 of the Corporate Governance Code set out in Appendix 14 of the Listing Rules states that if an independent non-executive director has served more than nine years, his further appointment should be subject to a separate resolution to be approved by the shareholders;

Ms. Wu Meng, Mr. Tan Weijun, Mr. Hu Jing, 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.

LETTER FROM THE BOARD

The Nomination Committee has reviewed and considered the experience, skills and knowledge of each retiring Director having regard to the selection criteria as set out in the director nomination policy of the Company and the diversity aspects 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 Mr. Ng Wing Hang Patrick, and Mr. Kwok Lam Kwong Larry, 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 Mr. Ng Wing Hang Patrick and Mr. Kwok Lam Kwong Larry have served the Company for more than nine years, they were not involved in the daily management of the Company nor in any relationship or circumstances which would materially affect their exercise of independent judgement. Having regard to the professional experience of Mr. Ng Wing Hang Patrick and Mr. Kwok Lam Kwong Larry in accounting and legal industries respectively and their positive contributions to the Board through their participation in the Board's discussions and decisions, the Board is therefore considered that they are still regarded as independent 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:

Ms. Wu Meng, aged 41, was appointed as an Executive Director of the Company on 10 August 2019, and as Chairman of the Board, Chairman of the Nomination Committee, Chairman of the Environmental, Social and Governance Committee and Chairman of the Executive Committee of the Company on 26 October 2021. Ms. Wu is a member of the executive committee, a general manager of the International Business Division of Shenwan Hongyuan Securities Co., Ltd.; a chairman and general manager of Shenwan Hongyuan (International) Holdings Limited; a director of Shenwan Hongyuan Holdings (B.V.I.) Limited; a director of SWS Research Co., Ltd. and a director of Shenwan Hongyuan Financing Services Co., Ltd., all of which being companies controlled by Shenwan Hongyuan Group Co., Ltd. (6806.HK, 000166.SZ), the holding company of the Company. Prior to joining Shenwan Hongyuan Securities Co., Ltd., Ms. Wu worked in the corporate finance division of China Jiayin Investment Ltd., and the capital market department and securities institution department/insurance institutions department of Central Huijin Investment Ltd.. She has around 20 years of relevant business experience. Ms. Wu holds a Master's Degree of Science in Finance and Investment, and a Ph.D. Degree in Management.

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.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Ms. Wu holds directorships in certain wholly-owned subsidiaries of the Company. Save as disclosed above, she 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. Pursuant to a letter of appointment issued by the Company, Ms. Wu was appointed as an Executive Director of the Company for a term until the conclusion of the Annual General Meeting to be held in 2023 and subject to retirement by rotation and re-election in accordance with the New 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. Tan Weijun, aged 57, was appointed as an Executive Director, a member of the Risk Committee and a member of the Executive Committee of the Company on 24 March 2023, Mr. Tan also serves as general manager of risk management division and general manager of review and appraisal division of Shenwan Hongyuan Securities Co., Ltd.; chief supervisor of Shenyin & Wanguo Investment Co. Ltd. and supervisor of Shenwan Hongyuan Securities Asset Management Co., Ltd., all of which are companies controlled by Shenwan Hongyuan Group Co., Ltd. (6806.HK, 000166.SZ), the holding company of the Company. Mr. Tan joined the former Shanghai Wanguo Securities Co., Ltd. in September 1992 and held various positions in the internal audit division, review and appraisal center, and compliance and risk management division at Shenwan Hongyuan Securities Co., Ltd.. He has more than 20 years of experience in risk management of securities business. Mr. Tan graduated from East China University of Science and Technology with a major in Applied Mathematics and Donghua University with a Postgraduate Master's Degree in Business Administration. Mr. Tan is a qualified securities practitioner from Securities Association of China

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

LETTER FROM THE BOARD

Mr. Tan does not have interests in the Shares within the meaning of Part XV of the SFO. Mr. Tan was appointed as an Executive Director of the Company for a term commencing from 24 March 2023 until the next following annual general meeting of the Company after his appointment and shall then be eligible for the re-election; and thereafter subject to retirement by rotation and re-election in accordance with the New Articles of Association, applicable laws and other regulatory requirements. Mr. Tan did not receive any remuneration for acting as Executive Director of the Company.

In relation to the re-election of Mr. Tan as Director, there is no other information to be disclosed pursuant to 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. Hu Jing, aged 38, was appointed as an Executive Director, a member of the Risk Committee, a member of the Environmental, Social and Governance Committee and a member of the Executive Committee of the Company on 11 July 2022. Mr. Hu is also a chief risk officer of Shenwan Hongyuan (International) Holdings Limited, and is a director of Shenwan Hongyuan International Finance Limited and a director of Shenwan Hongyuan Holdings (B.V.I.) Limited, all of which being companies controlled by Shenwan Hongyuan Group Co., Ltd. (6806.HK, 000166.SZ), the holding company of the Company. Mr. Hu previously worked in the asset management division and risk management division of Shenwan Hongyuan Securities Co., Ltd. from August 2009 to July 2016 and October 2017 to January 2020 respectively. He has around 15 years' experience in the securities industry. Mr. Hu holds a Bachelor's Degree in Management from Nanjing Audit University and a Master's Degree of Science in Quantitative Financial Economics from Oklahoma State University.

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

Mr. Hu does not have interests in the Shares within the meaning of Part XV of the SFO. Mr. Hu was appointed as an Executive Director of the Company for a term commencing from 11 July 2022 until the next following annual general meeting of the Company after his appointment and shall then be eligible for the re-election; and thereafter subject to retirement by rotation and re-election in accordance with the New Articles of Association, applicable laws and other regulatory requirements. Mr. Hu did not receive any remuneration for acting as Executive Director of the Company.

In relation to the re-election of Mr. Hu as Director, there is no other information to be disclosed pursuant to 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.

LETTER FROM THE BOARD

Mr. Ng Wing Hang Patrick, aged 70, was appointed as an Independent Non-executive Director of the Company in January 1995. He is currently the chairman of the Audit Committee and the Risk Committee and a member of each of the Remuneration Committee and the Nomination Committee 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 (Stock Code: 37), 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.

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 2023 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 2022.

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 (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 67, was appointed as an Independent Non-executive Director of the Company in March 1995. He is currently the chairman of the Remuneration Committee and a member of each of the Audit Committee, the Nomination Committee, the Risk Committee and the Environmental, Social and Governance Committee 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 chairman of the Appeal Tribunal Panel of the Buildings Ordinance (Cap.123).

Mr. Kwok is currently a Non-executive Director of First Shanghai Investments Limited (Stock Code: 227), an Independent Non-executive Director of Café de Coral Holdings Limited (Stock Code: 341), Starlite Holdings Limited (Stock Code: 403), AAC Technologies Holdings Inc. (Stock Code: 2018) and China Oilfield Services Limited (Stock Code: 2883), which are all listed on the Stock Exchange.

LETTER FROM THE BOARD

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 2023 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 2023.

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 (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 30 May 2022, 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 25 May 2023.

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 Shares. 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 Share Repurchase Mandate.

LETTER FROM THE BOARD

4. SHARE REPURCHASE MANDATE

At the annual general meeting of the Company held on 30 May 2022, 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 25 May 2023.

At the Annual General Meeting, it will be proposed that the Directors be granted the Share Repurchase Mandate, which 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 Share 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 Share 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 Share Repurchase Mandate is granted.

Exercise of The Share Repurchase Mandate

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

Subject to the passing of the ordinary resolution to approve the Share 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 Share Repurchase Mandate to repurchase 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.

LETTER FROM THE BOARD

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 2022 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 Share 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.

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 2023 (up to and including the Latest Practicable Date) were as follows:

	Share Price	
	Highest (HK\$)	Lowest (HK\$)
2022		
April	0.790	0.690
May	0.780	0.680
June	0.730	0.670
July	0.680	0.590
August	0.630	0.550
September	0.620	0.460
October	0.465	0.400
November	0.530	0.405
December	0.540	0.465
2023		
January	0.590	0.490
February	0.620	0.475
March	0.510	0.400
April (up to and including the Latest Practicable Date)	0.480	0.405

LETTER FROM THE BOARD

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 Share 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 Share Repurchase Mandate is approved by the Shareholders.

Directors' Undertaking

The Directors have undertaken to the Stock Exchange that they will exercise the Share 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 prior to the Latest Practicable Date.

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 Share 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 Share Repurchase Mandate.

LETTER FROM THE BOARD

5. AUTHORISATION TO THE BOARD ON ACQUIRING AND DISPOSING OF AN ASSET AND MAKING AN INVESTMENT

Article 74(i) of the New Articles of Association provides that the Company may not, without Shareholders' approval, acquire or dispose of an asset or make an investment in any single transaction with a value representing ten (10) per cent or more of the consolidated net asset value of the Group as shown in the latest published financial statements of the Company.

The Company is an investment holding company, the operations of its subsidiaries are mainly based in Hong Kong and its services include: (i) brokerage business; (ii) corporate finance business; (iii) asset management business; (iv) financing and loans business; and (v) investment and other business. As one of the principal activities of the Company is investment, the Company may from time to time acquire or dispose of an asset or make an investment.

Given the above, the Board expects that the Group would be required from time to time in its ordinary and usual course of business to carry out acquisition or disposal of assets or to make investments. As at 31 December 2022, the audited consolidated net asset value of the Group was HK\$2,960 million. In the absence of the Investment Mandate (as defined below), under Article 74(i) of the New Articles of Association, the Company would need to seek Shareholders' approval every time it proposes to enter into any transaction to acquire or dispose of an asset or make an investment, with an amount that is equal to or more than HK\$296 million (based on the audited consolidated net asset value of the Group as at 31 December 2022). To enhance operational efficiencies and avoid unnecessary restrictions or delay on business development, an ordinary resolution will be proposed at the Annual General Meeting to authorise the Board to acquire or dispose of an asset or make an investment with a value equal to or exceeding ten (10) per cent of the consolidated net asset value of the Group as shown in the latest published financial statements of the Company in any single transaction (the "**Investment Mandate**"). All transactions carried out under the Investment Mandate will be on normal commercial terms. In the event any such transaction is subject to any additional requirements under any applicable laws, regulations and rules (for example, if it constitutes a transaction under Chapter 14 of the Listing Rules or a connected transaction under Chapter 14A of the Listing Rules), the Company will comply with all such requirements. For the avoidance of doubt, the Investment Mandate would not absolve the Company from its obligation to comply with any Listing Rules requirements. Further, the Investment Mandate will expire at the next annual general meeting of the Company or such earlier dates as set out in resolution no. 7 of the notice of the Annual General Meeting. For further details of the Investment Mandate, please refer to resolution no. 7 of notice of the Annual General Meeting.

LETTER FROM THE BOARD

6. PROPOSED AUTHORISATION TO THE BOARD ON BORROWING AND PROVISION OF GUARANTEE AND ENTERING INTO A CONNECTED TRANSACTION

Article 74(ii) of the New Articles of Association provides that the Company may not, without Shareholders' approval, transact or undertake certain businesses or actions including borrowing, provision of guarantee and entering into a connected transaction (as defined under the Listing Rules) in any single transaction with a value representing ten (10) per cent or more of the consolidated net asset value the Group as shown in the latest published financial statements of the Company.

The Company and its subsidiaries are required to maintain sufficient liquid capital to meet the capital requirements as stipulated under the Securities and Futures (Financial Resources) Rules (Cap. 571N) for their regulated activities and other businesses from time to time, and to support the daily operations and further development of the Group.

The Company raises funds by various means including, but not limited to, 1) issuing bonds to professional investors (as defined in Chapter 37 of the Listing Rules and in the SFO), and 2) obtaining banking facilities. In addition, as part of their ordinary and usual course of business, the Company's wholly-owned subsidiaries also borrow from banks, and some of such borrowings require the support of a guarantee provided by the Company. From time to time the Company is also required to provide guarantees in respect of certain over-the-counter transactions carried out, derivative products issued and the related agreements entered into, by the wholly-owned subsidiaries of the Company in their ordinary and usual course of business (all the transactions referred above referred to as "**Funding Transactions**").

In addition, the Company also enters into connected transactions or continuing connected transaction with connected person (as defined in the Listing Rules) from time to time during its ordinary and usual course of business, including but not limited to, the continuing connected transaction with Shenwan Hongyuan Group Co., Ltd. according to the memorandum of understanding entered into between Shenwan Hongyuan Group Co., Ltd. and the Company in 2022, details of which have been disclosed in the announcement of the Company dated 20 April 2022 and the circular of the Company dated 13 May 2022.

Given the capital requirements for the on-going daily operations of the Company's subsidiaries and the anticipated growth for their businesses, the Board expects that the Funding Transactions and the connected transactions would be required from time to time in the ordinary and usual course of business of the Group. As at 31 December 2022, the audited consolidated net asset value of the Group was HK\$2,960 million. In the absence of the Borrowing Mandate (as defined below) and Connected Transaction Mandate (as defined below), under Article 74(ii) of the New Articles of Association, the Company would need to seek Shareholders' approval every time it proposes to enter into a Funding Transaction, such as a bank borrowing, or a connected transaction which is fully-exempt or partially exempt under the Listing Rules, with an amount that is equal to or more than HK\$296 million (based on the audited consolidated net asset value of the Group as at 31 December 2022). To enhance operational efficiencies and avoid unnecessary restrictions or delay on business development,

LETTER FROM THE BOARD

an ordinary resolution will be proposed at the Annual General Meeting to authorise the Board to enter into any Funding Transaction by or on behalf of the Company with a value equal to or exceeding 10 per cent of the consolidated net asset value of the Group in any single transaction (the “**Borrowing Mandate**”), and any connected transaction by or on behalf of the Company with a value equal to or exceeding 10 per cent of the consolidated net asset value of the Group in any single transaction (the “**Connected Transaction Mandate**”). All Funding Transactions carried out under the Borrowing Mandate and all connected transactions carried out under the Connected Transaction Mandate will be on normal commercial terms. In the event any such Funding Transaction or connected transaction is subject to any additional requirements under any applicable laws, regulations and rules (for example, if it constitutes a transaction under Chapter 14 of the Listing Rules), the Company will comply with all such requirements. For the avoidance of doubt, neither the Borrowing Mandate nor the Connected Transaction Mandate would absolve the Company from its obligation to comply with any Listing Rules requirements. Further, the Borrowing Mandate and the Connected Transaction Mandate will expire at the next annual general meeting of the Company or such earlier dates as set out in resolution no. 8 of the notice of the Annual General Meeting. For further details of the Borrowing Mandate and the Connected Transaction Mandate, please refer to resolution no. 8 of the notice of the Annual General Meeting.

7. **AUTHORISATION TO THE BOARD ON ESTABLISHING, ACQUIRING AND INVESTING IN ANY OPERATING INSTITUTION**

Article 74(iii) of the New Articles of Association provides that the Company may not, without Shareholders’ approval, establish, acquire or invest in any operating institution.

The Company may from time to time establish, acquire or invest in operating institution for the purpose of, including but not limited to, company reorganisation, investment, or carrying out its principal business activities etc.

To enhance operational efficiencies and avoid unnecessary restrictions or delay on business development, an ordinary resolution will be proposed at the Annual General Meeting to authorise the Board to establish, acquire or invest in any operating institution (the “**Operation Mandate**”). All transactions carried out under the Operation Mandate will be on normal commercial terms. In the event any such transaction is subject to any additional requirements under any applicable laws, regulations and rules (for example, if it constitutes a transaction under Chapter 14 of the Listing Rules or a connected transaction under Chapter 14A of the Listing Rules), the Company will comply with all such requirements. For the avoidance of doubt, the Operation Mandate would not absolve the Company from its obligation to comply with any Listing Rules requirements. Further, the Operation Mandate will expire at the next annual general meeting of the Company or such earlier dates as set out in resolution no. 9 of the notice of the Annual General Meeting. For further details of the Operation Mandate, please refer to resolution no. 9 of the notice of the Annual General Meeting.

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8. AUTHORISATION TO THE BOARD ON ADOPTING AND APPROVING ANY OPERATING STRATEGY, DEVELOPMENT STRATEGY, INVESTMENT PLAN, ANNUAL FINANCIAL BUDGET OR FINAL ACCOUNTS OF THE COMPANY

Article 74(v) of the New Articles of Association provides that the Company may not, without Shareholders' approval, adopt or approve any operating strategy, development strategy, investment plan, annual financial budget or final accounts of the Company provided that if a matter that would otherwise require approval of the shareholders has been expressly included in an operating strategy, development strategy, investment plan, annual financial budget or final accounts that has received approval of the shareholders, then no further approval of the Shareholders is required.

In the absence of the Business Mandate (as defined below), under the Article 74(v) of the New Articles of Association, the Company would need to seek Shareholders' approval every time it wishes to adopt any operating strategy, development strategy, investment plan, annual financial budget or final accounts. To enhance operational efficiencies and avoid unnecessary restrictions or delay on business development, an ordinary resolution will be proposed at the Annual General Meeting to authorise the Board to adopt or approve any operating strategy, development strategy, investment plan or annual financial budget or final accounts of the Company (the "**Business Mandate**"). In the event any such matter is subject to any additional requirements under any applicable laws, regulations and rules, the Company will comply with all such requirements. For the avoidance of doubt, the Business Mandate would not absolve the Company from its obligation to comply with any Listing Rules requirements. Further, the Business Mandate will expire at the next annual general meeting of the Company or such earlier dates as set out in resolution no. 10 of the notice of the Annual General Meeting. For further details of the Business Mandate, please refer to resolution no. 10 of the notice of the Annual General Meeting.

9. AUTHORISATION TO THE BOARD ON APPOINTING AND REMOVING FROM OFFICE ANY DIRECTOR

Article 74(vi) of the New Articles of Association provides that the Company may not, without Shareholders' approval, appoint or remove from office any Director (other than in accordance with the Companies Ordinance).

In the absence of the Management Mandate (as defined below), under Article 74(vi) of the New Articles of Association, the Company would need to seek Shareholders' approval every time it appoints or removes from office any Director (other than in accordance with and under the powers conferred by the Companies Ordinance). To enhance operational efficiencies and avoid unnecessary restrictions or delay on business development, an ordinary resolution will be proposed at the Annual General Meeting to authorise the Board to appoint or remove from office any Director, including appointment of Director to fill casual vacancy (the "**Management Mandate**"). In the event any such appointment or removal of Director is subject

LETTER FROM THE BOARD

to any requirements under any applicable laws, regulations, rules and the New Articles of Association, the Company will comply with all such requirements. For the avoidance of doubt, the Management Mandate would not absolve the Company from its obligation to comply with any Listing Rules requirements. Further, the Management Mandate will expire at the next annual general meeting of the Company or such earlier dates as set out in resolution no. 11 of the notice of the Annual General Meeting. For further details of the Management Mandate, please refer to resolution no. 11 of the notice of the Annual General Meeting.

10. AUTHORISATION TO THE BOARD ON DELEGATION OF POWERS OF THE BOARD UNDER ARTICLE 126 AND ARTICLE 127(C) OF THE NEW ARTICLES OF ASSOCIATION TO OTHERS

Article 126 of the New Articles of Association provides that all appointments or removals of senior management executives responsible for business operations, compliance, risk management or financial affairs of the Company and their performance appraisal and remuneration must be approved by the Board.

Article 127(C) of the New Articles of Association provides that subject to the provisions of the Companies Ordinance, the Listing Rules, the New Articles of Association and other applicable laws, rules and regulations, the Company may not, without the Board's consideration and approval, enter into business or take actions in relation to the following:

- (i) major business management issues such as major investment and financing of the Company, new businesses, new products and new models;
- (ii) financial statements and budgets;
- (iii) dividend policy, declaration of the interim dividend and recommendation of the final dividend;
- (iv) issue and allotment of shares as authorised by the shareholders of the Company in general meeting;
- (v) acquiring or disposing of an asset or making an investment in any single transaction with a value (i) representing five (5) per cent or more but less than ten (10) per cent of the consolidated net asset value of the Group as shown in the latest published financial statements of the Company; and (ii) not less than RMB five (5) million;

LETTER FROM THE BOARD

- (vi) borrowing or providing guarantee, or entering into a connected transaction (as defined under the Listing Rules) in any single transaction with a value (i) representing five (5) per cent or more but less than ten (10) per cent of the consolidated net asset value of the Group as shown in the latest published financial statements of the Company; and (ii) not less than RMB five (5) million;
- (vii) formation and significant change of terms of reference of, and receiving reports from board committees;
- (viii) the authorisation management system of the Company (including but not limited to the establishment of any internal management structure of the Company);
- (ix) proposal or arrangement concerning employees' share scheme or any share incentive or share option scheme; and
- (x) approving any significant matters related to compliance management, internal control and risk prevention of the Company.

In the absence of the Delegation Mandate (as defined below), a Board meeting will have to be convened every time the Company wishes to approve any of the matters listed under Article 126 and Article 127(C) of the New Articles of Association. To enhance board efficiencies and avoid unnecessary restrictions or delay on business development, an ordinary resolution will be proposed at the Annual General Meeting to authorise the Board to delegate the powers of the Board under Article 126 and Article 127(C) of the New Articles of Association to any committee(s) of the Board or any other suitable person(s) subject to the determination by the Board (together, the “**Delegated Person(s)**”), and to authorise the Company to enter into business or take actions in relation to the matters listed under Article 126 and Article 127(C) of the New Articles of Association upon consideration and approval by the Delegated Person(s) (the “**Delegation Mandate**”). To the extent any such matters under Article 126 and Article 127(C) of the New Articles of Association is required to be approved by the Board under applicable laws, regulations and rules, the Company and its Directors will comply with all such requirements. For the avoidance of doubt, the Delegation Mandate would not absolve the Company or its Directors from their obligation to comply with any Listing Rules requirements. Further, the Delegation Mandate will expire at the next annual general meeting of the Company or such earlier dates as set out in resolution no. 12 of the notice of the Annual General Meeting. For further details of the Delegation Mandate, please refer to resolution no. 12 of the notice of the Annual General Meeting.

LETTER FROM THE BOARD

11. ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting is set out on pages 21 to 27 of this circular at which ordinary resolutions will be proposed to approve the re-election of the retiring Directors, the General Mandate, the Share Repurchase Mandate, the Investment Mandate, the Borrowing Mandate, the Connected Transaction Mandate, the Operation Mandate, the Business Mandate, the Management Mandate and the Delegation Mandate.

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 office of the Company at Level 6, Three Pacific Place, 1 Queen's Road East, Hong Kong, as soon as possible but in any event not later than 48 hours before the time appointed for holding of the annual general meeting (i.e. 9:30 a.m. on Tuesday, 23 May 2023) or any adjournment 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.

12. 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.

LETTER FROM THE BOARD

13. RECOMMENDATION

The Directors believe that the re-election of Directors, the General Mandate, the Share Repurchase Mandate, the Investment Mandate, the Borrowing Mandate, the Connected Transaction Mandate, the Operation Mandate, the Business Mandate, the Management Mandate and the Delegation 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
Shenwan Hongyuan (H.K.) Limited
Wu Meng
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 Level 6, Three Pacific Place, 1 Queen’s Road East, Hong Kong, on Thursday, 25 May 2023 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 2022;
2. (a) (i) To re-elect Ms. Wu Meng as an executive Director;
(ii) To re-elect Mr. Tan Weijun as an executive Director;
(iii) To re-elect Mr. Hu Jing as an executive Director;
(iv) To re-elect Mr. Ng Wing Hang Patrick as an independent non-executive Director;
(v) To re-elect Mr. Kwok Lam Kwong Larry as an independent non-executive Director; and
(b) To authorise the Board of Directors to fix Directors’ fees for the year ending 31 December 2023;
3. To re-appoint Messrs. KPMG as the auditor of the Company and to authorise the Board of Directors to fix its remuneration;

NOTICE OF ANNUAL GENERAL MEETING

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

4. **“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

NOTICE OF ANNUAL GENERAL MEETING

(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;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the New Articles of Association 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).”

5. **“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

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 New Articles of Association 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.”

6. “**THAT** conditional upon the passing of Ordinary Resolutions 4 and 5, 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 4 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 5 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.”
7. “**THAT** subject to any applicable laws, regulations and rules which require such matters to be separately approved by the shareholders of the Company, the Board be and is hereby authorised for the purpose of Article 74(i) of the New Articles of Association to enter into any transactions during the Relevant Period (as defined hereunder) on behalf of the Company to acquire or dispose of an asset and to make an investment in any single transaction with a value representing ten (10) per cent or more of the consolidated net asset value of the Group as shown in the latest published financial statements of the Company;”
8. “**THAT** subject to any applicable laws, regulations and rules which require such matters to be separately approved by the shareholders of the Company, the Board be and is hereby authorised for the purpose of Article 74(ii) of the New Articles of Association to enter into any transactions during the Relevant Period (as defined hereunder) on behalf of the Company to borrow any sum or sums of money for the purpose of the Company or its wholly-owned subsidiaries and to provide guarantees for the wholly-owned subsidiaries of the Company and to enter into a connected transaction (as defined in the Listing Rules) in each case in any single transaction with a value representing ten (10) per cent or more of the consolidated net asset value of the Group as shown in the latest published financial statements of the Company;”

NOTICE OF ANNUAL GENERAL MEETING

9. “**THAT** subject to any applicable laws, regulations and rules which require such matters to be separately approved by the shareholders of the Company, the Board be and is hereby authorised for the purpose of Article 74(iii) of the New Articles of Association to enter into any transactions during the Relevant Period (as defined hereunder) on behalf of the Company to establish, acquire or invest in any operating institution;”

10. “**THAT** subject to any applicable laws, regulations and rules which require such matters to be separately approved by the shareholders of the Company, the Board be and is hereby authorised for the purpose of Article 74(v) of the New Articles of Association to enter into any actions during the Relevant Period (as defined hereunder) on behalf of the Company to adopt or approve any operating strategy, development strategy, investment plan, annual financial budget or final accounts of the Company;”

11. “**THAT** subject to any applicable laws, regulations and rules which require such matters to be separately approved by the shareholders of the Company, the Board be and is hereby authorised for the purpose of Article 74(vi) of the New Articles of Association to appoint or remove from office any Director (other than in accordance with the Companies Ordinance) during the Relevant Period (as defined hereunder) on behalf of the Company;”

12. “**THAT** subject to any applicable laws, regulations and rules which require such matters to be separately approved by the Board, the Board be and is hereby authorised for the purpose of Article 126 and Article 127(C) of the New Articles of Association to delegate the powers of the Board under Article 126 and Articles 127(C) of the New Articles of Association to any committee(s) of the Board or any other suitable person(s) subject to the determination by the Board during the Relevant Period (as defined hereunder);”

NOTICE OF ANNUAL GENERAL MEETING

and for the purposes of the resolution 7 to resolution 12:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest 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 New Articles of Association or by law to be held; and
- iii. the date upon which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

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

Hong Kong, 25 April 2023

As at the date of this notice, the Board of the Company comprises nine directors, of which Ms. Wu Meng, Mr. Zhang Jian, Mr. Tan Weijun, Mr. Liang Jun and Mr. Hu Jing 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 from Friday, 19 May 2023 to Thursday, 25 May 2023, both days inclusive, during which period no transfers of Shares will be registered. In order to qualify for attending and voting at the 2023 Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Share Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration by no later than 4:30 p.m. on Thursday, 18 May 2023.
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 office of the Company at Level 6, Three Pacific Place, 1 Queen’s Road East, Hong Kong not later than 48 hours before the time appointed for holding of the annual general meeting (i.e. 9:30 a.m. on Tuesday, 23 May 2023) or any adjournment thereof (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 4 to 6, 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 share repurchase mandate under Ordinary Resolution 5 above is set out on pages 10 to 12 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.