

---

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

---

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 howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**If you are in any doubt** as to any aspect about 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 Group Co., Ltd., you should at once hand this circular, together with the enclosed proxy form, 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.

---



**申萬宏源集團股份有限公司**  
**SHENWAN HONGYUAN GROUP CO., LTD.**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 6806)**

**(1) PUBLIC ISSUANCE OF CORPORATE BONDS**  
**(2) GRANTING OF GENERAL MANDATE TO THE BOARD TO ISSUE**  
**ADDITIONAL A SHARES AND H SHARES OF THE COMPANY**  
**(3) THE PLAN ON AUTHORIZATION TO THE BOARD BY**  
**THE GENERAL MEETING (2020)**  
**(4) ELECTION OF THE INDEPENDENT NON-EXECUTIVE DIRECTOR**  
**AND**  
**NOTICE OF THE 2020 FIRST EXTRAORDINARY GENERAL MEETING**

---

The 2020 first extraordinary general meeting of Shenwan Hongyuan Group Co., Ltd. will be held at 2:30 p.m. on Thursday, November 5, 2020 at the Company's conference room, No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC. A notice convening the EGM is set out on pages 13 to 15 of this circular.

Whether or not you are able to attend the EGM, you are advised to read the notice of the EGM carefully and to complete the enclosed proxy form in accordance with the instructions printed thereon and return it as soon as possible. H Shareholders are required to return the proxy form to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, by hand or by post no later than 24 hours before the time appointed for convening the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so wish.

October 14, 2020

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	3
<b>Notice of the 2020 First Extraordinary General Meeting</b> .....	13
<b>Appendix I — The Plan on Authorization to the Board by the General Meeting of Shenwan Hongyuan Group Co., Ltd. (2020)</b> .....	16

---

## DEFINITIONS

---

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

“A Share(s)”	domestic shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi and are listed for trading on the Shenzhen Stock Exchange (stock code: 000166)
“A Shareholder(s)”	holder(s) of A Share(s)
“Articles of Association”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“Board” or “Board of Directors”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“Company”	Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H Shares and A Shares are listed on the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, respectively
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“EGM”	the 2020 first extraordinary general meeting of the Company to be held at 2:30 p.m. on Thursday, November 5, 2020 at the Company’s conference room, No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC
“H Share(s)”	overseas listed foreign shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for in HK dollars and are listed for trading on the Hong Kong Stock Exchange (stock code: 6806)
“H Shareholder(s)”	holder(s) of H Share(s)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	October 9, 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular

---

## DEFINITIONS

---

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China, which for the purpose of this circular only, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan, the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, including A Share(s) and H Share(s)
“Shareholder(s)”	shareholder(s) of the Company, including A Shareholder(s) and H Shareholder(s)
“Supervisor(s)”	supervisor(s) of the Company

---

LETTER FROM THE BOARD

---



申萬宏源集團股份有限公司  
SHENWAN HONGYUAN GROUP CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 6806)

**Executive Directors:**

Mr. Chu Xiaoming (Chairman)  
Mr. Yang Wenqing  
Mr. Xu Zhibin

**Non-executive Directors:**

Mr. Chen Jianmin  
Mr. Wang Honggang  
Ms. Ge Rongrong  
Mr. Ren Xiaotao  
Mr. Zhang Yigang

**Independent Non-executive Directors:**

Ms. Ye Mei  
Mr. Xie Rong  
Ms. Huang Danhan  
Ms. Yang Qiumei

**Registered Office:**

Room 2001, 20/F  
Dacheng International Building  
358 South Beijing Road  
Urumqi High-tech Zone  
Xinjiang  
PRC

**Principal Place of Business in the PRC:**

20/F, Dacheng International Building  
358 South Beijing Road  
Urumqi High-tech Zone  
Xinjiang  
PRC

No. 19, Taipingqiao Street  
Xicheng District  
Beijing  
PRC

**Principal Place of Business in Hong Kong:**

40/F, Sunlight Tower  
248 Queen's Road East  
Wanchai, Hong Kong

October 14, 2020

To the H Shareholders

Dear Sirs,

- (1) PUBLIC ISSUANCE OF CORPORATE BONDS
- (2) GRANTING OF GENERAL MANDATE TO THE BOARD TO ISSUE  
ADDITIONAL A SHARES AND H SHARES OF THE COMPANY
- (3) THE PLAN ON AUTHORIZATION TO THE BOARD BY  
THE GENERAL MEETING (2020)
- (4) ELECTION OF THE INDEPENDENT NON-EXECUTIVE DIRECTOR

**INTRODUCTION**

The purpose of this circular is to give you notice of the EGM and to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for, against or abstain from voting on the resolutions to be proposed for consideration at the EGM.

---

## LETTER FROM THE BOARD

---

Special resolutions will be proposed at the EGM to approve: (1) public issuance of corporate bonds; and (2) the granting of general mandate to the Board to issue additional A Shares and H Shares of the Company.

Ordinary resolutions will be proposed at the EGM to approve: (1) the Plan on Authorization to the Board by the General Meeting of Shenwan Hongyuan Group Co., Ltd. (2020); and (2) the election of the independent non-executive Director.

### **1. PUBLIC ISSUANCE OF CORPORATE BONDS**

A special resolution will be proposed at the EGM to approve the public issuance of corporate bonds by the Company.

The year 2020 is a critical year for the Company in terms of its business layout. In order to realize its strategic planning and promote its business development, the Company is required to make further adjustments to the capital structure, expand financing channels and improve the capital structure. These would facilitate the development of its securities business and satisfy its current overall development demand.

According to the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Administrative Measures on Corporate Bonds Offering and Trading (《公司債券發行與交易管理辦法》) and other laws, regulations and regulatory documents, the Company is qualified for public issuance of corporate bonds. The Company is now proposing a public issuance of corporate bonds. The specific plans for this proposed issuance of corporate bonds are set out as follows, which are submitted to the general meeting for consideration on a case-by-case basis:

#### ***I. Scale of issuance***

The total face amount of corporate bonds to be issued this time shall not be more than RMB15 billion (inclusive). The Company may apply for registration for once but issue in tranches. The general meeting is requested to authorize the Board, which shall be approved to delegate the management of the Company to determine the specific scale of issuance and the tranches within the aforementioned scope according to the requirements of relevant laws and regulations and regulatory authorities, the Company's need for funds and the market conditions prevailing at the time of issuance in the principle of maximizing the interest of the Company at its sole discretion.

#### ***II. Method of issuance***

The issuance of corporate bonds this time will take the form of public issuance within the PRC once registered with the CSRC.

#### ***III. Placing arrangement for shareholders of the Company***

The Company will not place any of the corporate bonds to be issued this time to any of the Shareholders with priority.

#### ***IV. Maturity of bonds***

The maturity of corporate bonds to be issued this time shall be no longer than 7 years (inclusive), which includes bond products due within 1 year (inclusive) where permitted by policies.

---

## LETTER FROM THE BOARD

---

### *V. Type of bonds*

Corporate bonds to be issued this time may be either of a single term, or of a combination of multiple terms. The general meeting is requested to authorize the Board, which shall be approved to delegate the management of the Company to determine the specific terms of maturity and the size of each type in accordance with relevant regulations and the market conditions prevailing at the time of issuance.

### *VI. Interest rate of bonds and its determination methods*

The coupon rate of corporate bonds to be issued this time is fixed. The general meeting is requested to authorize the Board, which shall be approved to delegate the management of the Company and lead underwriters to determine the specific coupon rate of bonds and its payment methods in accordance with the market conditions prevailing at the time of issuance and relevant regulations on interest rate management of corporate bonds.

### *VII. Target subscribers*

The public issuance of corporate bonds this time may be open to ordinary investors, or selectively to professional investors only. The general meeting is requested to authorize the Board, which shall be approved to delegate the management of the Company to determine the specific target subscribers according to the requirements of relevant laws and regulations and regulatory authorities, the Company's need for funds and the market conditions prevailing at the time of issuance.

### *VIII. Place of listing*

The Company will apply for the listing of, and permission to deal in, the corporate bonds to be issued this time on the Shenzhen Stock Exchange.

### *IX. Use of proceeds*

The proceeds raised from the corporate bonds to be issued this time are intended to be used in full to replenish the Company's working capital and/or repay debts when matured. The general meeting is requested to authorize the Board, which shall be approved to delegate the management of the Company to determine the specific uses according to the Company's need for funds.

### *X. Guarantees*

Corporate bonds to be issued this time will not have any guarantee arrangement.

### *XI. Validity period of this resolution*

The resolution regarding the corporate bonds to be issued this time shall be valid for a period of 24 months from the date of consideration and approval at the general meeting. Where the Board and/or the management of the Company authorized by it have, during the term of the authorization, decided the issuance or partial issuance of corporate bonds this time, and where the Company has also, during the term of authorization, obtained the registration, approval or license from or completed filing or recording (if applicable) with regulatory authorities on the issuance, the Company may complete the issuance or relevant partial issuance of corporate bonds this time during the validity period of confirmation of such registration, approval, license, filing or recording.

---

## LETTER FROM THE BOARD

---

### *XII. Authorization*

The general meeting is requested to authorize the Board, which shall be approved to delegate the management of the Company to deal with, at its sole discretion, all matters related to the issuance and listing of corporate bonds this time in accordance with relevant requirements of the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Administrative Measures on Corporate Bonds Offering and Trading (《公司債發行與交易管理辦法》) and the Articles of Association and within the framework and under the principles considered and approved at the general meeting, including but not limited to:

- (1) Completing procedures for approval, registration, filing, recording and consent with relevant regulatory authorities and agencies on this issuance;
- (2) Formulating and adjusting the specific plans for the issuance of corporate bonds this time based on actual conditions of the Company and the corporate bonds market in accordance with applicable laws, regulations and relevant requirements of regulatory authorities as well as the resolution passed at the general meeting, including but not limited to all matters relating to the issuance of corporate bonds this time, such as timing of issuance, specific size and method of issuance, terms of issuance, target subscribers, maturity of bonds, whether to issue by tranches and multiple types, arrangement for the size and term of each issuance, tranche and type, nominal value and interest rate of bonds and their determination methods, issuance arrangements, rating arrangements, specific subscription method, whether to incorporate terms of repurchase or redemption, specific placement arrangements, specific use of proceeds, registration and guarantee measures for repayment;
- (3) Engaging intermediaries to deal with such matters related to the issuance of the corporate bonds this time, and upon completion of this issuance, to deal with such matters with respect to the listing, trading or transfer of the corporate bonds issued this time including but not limited to the authorization, execution, implementation, amendment and completion of all necessary documents, contracts, agreements and treaties in connection with the issuance, trading and transfer of corporate bonds (including without limitation the prospectus, underwriting agreement, bonds custody agreement, fund supervision agreement, listing, trading or bidding and transfer service agreement, rules of the bondholders meetings and other legal documents, etc.), and to make information disclosure in accordance with laws, regulations and regulatory documents;
- (4) Selecting the custodian for the corporate bonds to be issued this time, signing bonds custody agreement and formulating the rules for bondholders' meetings;
- (5) Adjusting the specific plans for the issuance of corporate bonds this time and other relevant matters according to the recommendations made by regulatory authorities in the event that there are changes in their policies relating to the issuance of corporate bonds or changes in the prevailing market conditions, save as such matters that require re-approval by the general meeting pursuant to the relevant laws, regulations and the Articles of Association;
- (6) Handling other specific matters related the issuance, listing, trading or transfer of corporate bonds to be issued this time;



---

## LETTER FROM THE BOARD

---

- (7) Requesting the Board to authorize the management of the Company to deal with, on behalf of the Company, all matters related to the corporate bonds to be issued this time in accordance with the resolution passed at the general meeting and within the authorization of the Board, provided that the above authorization is approved by the general meeting;
- (8) This authorization being valid commencing from the date of consideration and approval by the general meeting and ending on the date of completion of the above authorization.

The above resolution has been considered and approved at the Board meeting held on August 28, 2020 and is now submitted to the EGM for consideration and approval. The issuance issue can only be implemented after being registered with the CSRC.

### **2. GRANTING OF GENERAL MANDATE TO THE BOARD TO ISSUE ADDITIONAL A SHARES AND H SHARES OF THE COMPANY**

A special resolution will be proposed at the EGM to approve the granting of general mandate to the Board to issue additional A Shares and H Shares of the Company.

In accordance with the requirements of applicable PRC laws and regulations and listing rules of the place where securities are listed, in order to improve decision-making efficiency and reduce internal approval procedures to seize market opportunities and ensure flexibility of issuing shares, the general meeting of the Company is requested to approve granting of the general mandate to the Board of the Company to issue additional shares by way of a special resolution in line with market practices.

#### ***I. Scope of authorization***

The scope of authorization includes but not limit to:

1. To propose to the general meeting of the Company to grant the Board a general mandate during the Relevant Period (as defined below) to, by reference to market conditions and in accordance with needs of the Company, decide to allot, issue and deal with, either separately or concurrently, shares not exceeding 20% of each of the number of RMB-dominated ordinary shares listed domestically (i.e. A shares) and/or foreign shares listed overseas (i.e. H shares) in issue of the Company as at the date of passing this resolution at the general meeting (including but not limited to ordinary shares, preferred shares, and securities convertible into shares), and decide to make or grant offers for sale, offers, agreements, right to exchange for or convert into shares or other rights as required or may be required to allot shares;
2. To authorize the Board to formulate and implement detailed issuance plan when exercising the above general mandate, including but not limited to the class of new shares to be issued, pricing mechanism and/or issuance/conversion/exercise price (including price range), form of issuance, number of shares to be issued, allottees and use of proceeds, and decide the time of issuance, period of issuance and whether to place shares to the existing shareholders;

---

## LETTER FROM THE BOARD

---

3. To authorize the Board to engage the intermediaries related to the issuance, approve and sign all acts, deeds, documents and other related matters necessary, desirable, advisable or relevant for the issuance; approve and sign, on behalf of the Company, any agreements related to the issuance, including but not limited to placement agreement, underwriting agreement, and agreement for engagement of intermediaries;
4. To authorize the Board to approve and sign, on behalf of the Company, statutory documents related to the issuance for submission to regulatory authorities, carry out relevant approval procedures required by regulatory authorities and venues in which the Company is listed, and complete all necessary recording, registration and filing procedures with relevant government departments in Hong Kong and/or any other regions and jurisdictions (if applicable);
5. To authorize the Board to amend, as required by regulatory authorities within or outside China, relevant agreements and statutory documents;
6. To authorize the Board to approve an increase in the registered capital of the Company after the issuance of new shares, make corresponding amendments to the Articles of Association relating to the total amount of share capital and equity structure, etc. and delegate the management of the Company to perform relevant procedures.

### ***II. Term of authorization***

Except that the Board may enter into or grant offers for sale, offers, agreements, right to exchange for or convert into shares or other rights during the Relevant Period (as defined below), which require or may require implementation or exercise at or after the end of the Relevant Period, the exercise of the above authorization shall be within the Relevant Period.

The “Relevant Period” means the period from the date when this resolution is passed by way of a special resolution at the general meeting of the Company until the earliest of the following three dates:

1. the conclusion of the 2020 annual general meeting of the Company;
2. the expiration of a period of twelve months following the passing of this resolution by way of a special resolution at the general meeting of the Company;
3. the date on which the authorization referred to in this resolution is revoked or varied by a special resolution at any general meeting of the Company.

***III.*** Powers under the authorization above may only be exercised by the Board in accordance with applicable PRC laws and regulations, listing rules of the jurisdictions on which the securities of the Company are listed and the Articles of Association, and subject to obtaining of all necessary approvals from the relevant government agencies and regulatory authorities within or outside PRC.

The above resolution has been considered and approved at the Board meeting held on September 28, 2020 and is now submitted to the EGM for consideration and approval.

---

## LETTER FROM THE BOARD

---

### 3. THE PLAN ON AUTHORIZATION TO THE BOARD BY THE GENERAL MEETING (2020)

An ordinary resolution will be proposed at the EGM to approve the Plan on Authorization to the Board by the General Meeting of Shenwan Hongyuan Group Co., Ltd. (2020).

The details of the Plan on Authorization to the Board by the General Meeting of Shenwan Hongyuan Group Co., Ltd. (2020) are set out in Appendix I to this circular.

The above resolution has been considered and approved at the Board meeting held on September 28, 2020 and is now submitted to the EGM for consideration and approval.

### 4. ELECTION OF THE INDEPENDENT NON-EXECUTIVE DIRECTOR

An ordinary resolution will be proposed at the EGM to approve the election of Ms. Yeung Siuman Shirley (“**Ms. Yeung**”) as an independent non-executive Director of the fourth session of the Board of the Company.

Reference is made to the announcement of the Company dated September 28, 2020 in relation to, among others, the proposed appointment of Ms. Yeung as an independent non-executive Director of the fourth session of the Board of the Company.

The biographical details of Ms. Yeung required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules are set out as follows:

Ms. Yeung Siuman Shirley (楊小雯), aged 57, served as the person in charge of the international securities investment department of Verizon Investment Management Corp. from June 1993 to May 1997, the vice president of the capital market department of JP Morgan Chase & Co. from June 1997 to January 2000, and the head of China of PCCW VENTURES LIMITED, a venture capital fund under PCCW Limited (電訊盈科有限公司) from January 2000 to March 2003. She has served as the chairwoman and founding managing partner of Dragonrise Capital Advisors (HK) Limited (龍騰資本有限公司) since October 2004, concurrently the chairwoman and founding managing partner of Suzhou Longrui Venture Capital Management Co., Ltd. (蘇州龍瑞創業投資管理有限公司) since December 2009, and concurrently the chairwoman and founding managing partner of Nanjing Longjun Investment Management Co., Ltd. (南京龍駿投資管理有限公司) since April 2014.

Ms. Yeung graduated from Beijing Foreign Studies University, majoring in international relations with a bachelor’s degree in arts in July 1984, and graduated from Yale School of Management in the United States with an MBA degree in May 1993.

Ms. Yeung, being a candidate of independent non-executive Director of the fourth session of the Board of the Company, will enter into a service contract with the Company to perform the duties as an independent non-executive Director of the fourth session of the Board of the Company after her nomination is approved at the general meeting of the Company, with the term of office expiring at the end of the fourth session of the Board. Pursuant to the Articles of Association of the Company, Ms. Yeung is eligible for re-election after her term of office expires. The remuneration of Ms. Yeung for acting as an independent non-executive director of the Company shall be determined in accordance with the relevant national policies and relevant rules and regulations of the Company, which will be disclosed in the annual report by the Company.

---

## LETTER FROM THE BOARD

---

As of the Latest Practicable Date, Ms. Yeung has never received any punishment from the CSRC or other relevant authorities or any penalty from the stock exchanges. Ms. Yeung has confirmed that she meets the independence criteria as set out in Rule 3.13 of the Listing Rules, and the Board also considers that Ms. Yeung meets the independence guidelines as set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines. Save as disclosed in this circular, Ms. Yeung confirms that she did not hold directorship in any public company, the securities of which are listed on any securities market either in Hong Kong or overseas in the past three years; does not have any relationship with any director, supervisor, senior management, substantial shareholder of the Company or their respective subsidiaries, nor does she hold any position in the Company or any of its subsidiaries. She does not own any interest in the shares of the Company or its associated corporations (as defined in Part XV of the SFO); has no information that shall be disclosed pursuant to the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules, and does not participate and has never participated in matters that shall be disclosed pursuant to the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules; nor has she participated in other matters that need to be brought to the attention of the shareholders of the Company.

In deciding the Board's composition, Board diversity shall be considered from a number of aspects, including but not limited to gender, age, cultural and educational backgrounds, region, professional experience, skills, knowledge and length of services. All Board appointments will be based on meritocracy, where the Company focuses on evaluating what skills, experience, and diverse viewpoints and perspectives that candidates can bring to the Board, and how they can make contributions to the Board. The final decision will be based on the strengths of candidates and the contributions they can make to the Board. The Remuneration and Nomination Committee under the Board is mainly responsible for reviewing the structure, size and composition of the Board, deliberating and advising on criteria and procedures for the selection and appointment of Directors and senior management, identifying suitable candidates who are qualified for Directors and senior management, and reviewing the qualifications of candidates for Directors and senior management and make recommendations thereon.

The Remuneration and Nomination Committee under the Board is of the view that Ms. Yeung has extensive experience in finance and investment. Nominating her as an independent non-executive Director on the fourth session of the Board of the Company can give full play to her advantages of professional background, allowing her to bring diversified perspectives as well as offer valuable opinions for our decision making on major issues of the Company.

As of the Latest Practicable Date, Ms. Yeung has not obtained the qualification certificate of independent directors recognized by the Shenzhen Stock Exchange. According to the requirements of the Shenzhen Stock Exchange, she shall undertake in writing to participate in the latest qualification training for independent directors and receive the qualification certificate of independent directors recognized by the Shenzhen Stock Exchange.

The above resolution has been considered and approved at the Board meeting held on September 28, 2020 and is now submitted to the EGM for consideration and approval.

---

## LETTER FROM THE BOARD

---

### THE EGM

The 2020 first extraordinary general meeting of the Company will be held at 2:30 p.m. on Thursday, November 5, 2020 at the Company's conference room, No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC. A notice convening the EGM is set out on pages 13 to 15 of this circular.

The summary of the important dates for H Shareholders is as follows:

<b>Last Registration Date:</b>	on or before 4:30 p.m. on Thursday, October 29, 2020
<b>Closure of Register for H Shares:</b>	Friday, October 30, 2020 to Thursday, November 5, 2020
<b>Submission of Proxy Form:</b>	on or before 2:30 p.m. on Wednesday, November 4, 2020

In order to determine the H Shareholders' entitlement to attend the EGM, the H Share register of members of the Company will be closed from Friday, October 30, 2020 to Thursday, November 5, 2020 (both days inclusive), during which period no transfer of H Shares will be registered. In order for H Shareholders to attend the EGM, the relevant share certificates, accompanied by all share transfer documents, must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by 4:30 p.m. on Thursday, October 29, 2020. H Shareholders whose names appear on the H Share register of members of the Company on Friday, October 30, 2020 shall be entitled to attend and vote at the EGM.

H Shareholders should return the proxy form, or the notarized power of attorney or other authorization documents to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by hand or by post, no later than 24 hours before the time appointed for convening the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so wish.

The record date for determination of the qualified A Shareholders to attend the EGM and the registration date for such meeting are Thursday, October 29, 2020 and Friday, October 30, 2020, respectively. For details, please refer to the notice of the EGM dated Wednesday, October 14, 2020 published on the website of the Shenzhen Stock Exchange at [www.szse.cn](http://www.szse.cn).

---

## LETTER FROM THE BOARD

---

### VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of Shareholders at a general meeting must be taken by poll. Therefore, the resolutions to be proposed at the EGM will be voted by poll. Results of the poll voting will be posted on the HKExnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.swhygh.com](http://www.swhygh.com) upon the conclusion of the EGM.

The aforesaid resolutions 1 to 2 are special resolutions to be passed by the affirmative votes representing over two-thirds of the total number of Shares held by the Shareholders attending the EGM with voting rights; the resolutions 3 to 4 are ordinary resolutions to be passed by the affirmative votes representing over one half of the total number of Shares held by the Shareholders attending the EGM with voting rights.

Pursuant to Rule 2.15 of the Listing Rules, where Shareholders' approval is required with regard to a transaction, any Shareholder that has a material interest in such transaction shall abstain from voting on the resolution(s) on whether or not to approve such transaction at the Shareholders' general meeting.

As far as the Directors are aware as at the Latest Practicable Date, no Shareholder is considered to have a material interest in any of the resolution proposed at the EGM and has to abstain from voting at the EGM approving the resolution.

### RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the above resolutions are in the best interests of the Company and its Shareholders as a whole. Therefore, the Board recommends you to vote in favor of the relevant resolutions set out in the notice of the EGM attached to this circular.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,  
By order of the Board  
**Shenwan Hongyuan Group Co., Ltd.**  
**Chu Xiaoming**  
*Chairman*

---

## NOTICE OF THE 2020 FIRST EXTRAORDINARY GENERAL MEETING

---



# 申萬宏源集團股份有限公司 SHENWAN HONGYUAN GROUP CO., LTD.

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 6806)

## NOTICE OF THE 2020 FIRST EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2020 first extraordinary general meeting (the “EGM”) of Shenwan Hongyuan Group Co., Ltd. (the “**Company**”) will be held at 2:30 p.m. on Thursday, November 5, 2020 at the Company’s conference room, No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC to consider and, if thought fit, approve the following resolutions. Unless otherwise indicated, capitalized terms used in this notice shall have the same meaning as those defined in the circular of the Company dated October 14, 2020.

### SPECIAL RESOLUTIONS

1. To consider and approve the resolution regarding the public issuance of corporate bonds by Shenwan Hongyuan Group Co., Ltd.
  - 1.1 Scale of issuance
  - 1.2 Method of issuance
  - 1.3 Placing arrangement for shareholders of the Company
  - 1.4 Maturity of bonds
  - 1.5 Type of bonds
  - 1.6 Interest rate of bonds and its determination methods
  - 1.7 Target subscribers
  - 1.8 Place of listing
  - 1.9 Use of proceeds
  - 1.10 Guarantees
  - 1.11 Validity period of this resolution
  - 1.12 Authorization

---

## NOTICE OF THE 2020 FIRST EXTRAORDINARY GENERAL MEETING

---

2. To consider and approve the resolution regarding granting of general mandate to the Board to issue additional A Shares and H Shares of the Company

### ORDINARY RESOLUTIONS

3. To consider and approve the resolution regarding considering the Plan on Authorization to the Board by the General Meeting of Shenwan Hongyuan Group Co., Ltd. (2020)
4. To consider and approve the resolution regarding the election of the independent non-executive Director

By order of the Board  
**Shenwan Hongyuan Group Co., Ltd.**  
**Chu Xiaoming**  
Chairman

Beijing, the PRC  
October 14, 2020

*As at the date of this notice, the Board of Directors comprises Mr. Chu Xiaoming, Mr. Yang Wenqing and Mr. Xu Zhibin as Executive Directors; Mr. Chen Jianmin, Mr. Wang Honggang, Ms. Ge Rongrong, Mr. Ren Xiaotao and Mr. Zhang Yigang as Non-executive Directors; Ms. Ye Mei, Mr. Xie Rong, Ms. Huang Danhan and Ms. Yang Qiumei as Independent Non-executive Directors.*

*Notes:*

1. In order to determine the H Shareholders' entitlement to attend the EGM, the H Share register of members of the Company will be closed from Friday, October 30, 2020 to Thursday, November 5, 2020 (both days inclusive), during which period no transfer of shares will be registered. In order for H Shareholders to attend the EGM, the relevant share certificates, accompanied by all share transfer documents, must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration no later than 4:30 p.m. on Thursday, October 29, 2020. H Shareholders whose names appear on the H Share register of members of the Company on Friday, October 30, 2020 shall be entitled to attend and vote at the EGM.
2. Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on his/her/its behalf at the EGM. A proxy needs not be a Shareholder of the Company.

The proxy form shall be signed by the Shareholder or his/her/its attorney who has been authorized in writing or, in the case of a corporation as a Shareholder, must either be executed under its common seal or under the hand of its legal representative, director(s) or duly authorized attorney(s). In case of joint holders of the Shares, this form of proxy must be signed by the joint holder whose name stands first in the register of members of the Company.

H Shareholders are required to return the proxy form or the notarized power of attorney or any other authorization documents to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by hand or by post no later than 24 hours before the time appointed for convening the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so wish.



---

## NOTICE OF THE 2020 FIRST EXTRAORDINARY GENERAL MEETING

---

3. In case of joint shareholders and if more than one joint shareholder in person or by proxy attend the meeting, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted as the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand on the register of members of the Company in respect of the joint shareholding.
4. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), all votes of Shareholders at a general meeting must be taken by poll. Therefore, all resolutions to be proposed at the EGM will be voted by poll.

The aforesaid resolutions 1 to 2 are special resolutions to be passed by the affirmative votes representing over two-thirds of the total number of Shares held by the Shareholders attending the EGM with voting rights; the resolutions 3 to 4 are ordinary resolutions to be passed by the affirmative votes representing over one half of the total number of Shares held by the Shareholders attending the EGM with voting rights.

Pursuant to Rule 2.15 of the Listing Rules, where Shareholders’ approval is required with regard to a transaction, any Shareholder that has a material interest in such transaction shall abstain from voting on the resolution(s) on whether or not to approve such transaction at the Shareholders’ general meeting.

As far as the Directors are aware, as at the date of this notice, no Shareholder is considered to have a material interest in any resolution to be proposed at the EGM and has to abstain from voting at the EGM approving the resolution.

5. The contact details of the place of business of the Company are as follows:  
Contact Address: 20/F, Dacheng International Building, 358 South Beijing Road, Urumqi High-tech Zone, Xinjiang, the PRC/No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC  
Postal Code: 830011/100033  
Contact Person: Peng Xiaojia/Li Dan  
Telephone No.: (+86) 991 2301870/(+86) 10 88085057  
Facsimile No.: (+86) 991 2301779/(+86) 10 88085059
6. The EGM is expected to last for a half day. Shareholders or their proxies attending the EGM shall be responsible for their own travelling and accommodation expenses.

**PLAN ON AUTHORIZATION TO THE BOARD BY THE GENERAL MEETING OF SHENWAN HONGYUAN GROUP CO., LTD. (2020)  
(the “Authorization Plan”)**

(Draft for Review)

In order to improve the efficiency of daily operation and management of Shenwan Hongyuan Group Co., Ltd. (hereinafter referred to as the “**Company**”), the Board shall, in accordance with the Company Law of the People’s Republic of China (《中華人民共和國公司法》), the regulatory requirements of places where the Company’s shares are listed, the Articles of Association of Shenwan Hongyuan Group Co., Ltd. (hereinafter referred to as the “**Articles of Association**”) and other relevant regulations, exercise its functions and powers according to the Authorization Plan in addition to those stipulated in the Articles of Association.

**Part I Authorizations for Investment Business**

The Board of the Company shall have the right to decide on the daily investment business of the Company and its subsidiaries (excluding Shenwan Hongyuan Securities Co., Ltd.) and its withdrawal if the following conditions are met:

- (1) The cumulative total investment in a single project for this year shall not exceed 10% of the latest audited net assets of the Company;
- (2) The cumulative total investment balance for this year shall not exceed 50% of the latest audited net assets of the Company.

General long-term equity investments, such as the establishment, mergers and acquisitions of, and capital increases, to subsidiaries at all levels by the Company, as well as the investment business of Shenwan Hongyuan Securities Co., Ltd. on which the Company is required to make decisions as its shareholder, shall be subject to Part II “Authorizations for Management Matters” of the Authorization Plan.

Transactions between the Company and its subsidiaries at all levels (including capital increases and borrowings to subsidiaries) shall not be included in the above investment balance, and is not subject to the total investment in a single project.

## **Part II Authorizations for Management Matters**

### **1. Organizational setup**

To decide on the establishment, mergers and acquisitions as well as deregistration of subsidiaries at all levels by the Company within or outside China. The authorization on the establishment, mergers and acquisitions, deregistration of, or the increase or decrease in registered capital for, first-level subsidiaries shall not be delegated.

### **2. General long-term equity investments**

To decide on the establishment, mergers and acquisitions as well as deregistration of subsidiaries at all levels by the Company within or outside China, or the increase or decrease in registered capital for such subsidiaries. The single investment or withdrawal shall not exceed 10% of the latest audited net assets of the Company; and the annual investment or withdrawal shall not exceed 30% of the latest audited net assets of the Company.

### **3. External guarantee**

Where the Company is to provide external guarantees with its own assets (other than those to be given by the Company for its own financing needs), the Board shall have the right to decide on external guarantees that meet the following conditions simultaneously:

- (1) Provision of a single guarantee, the amount of which shall not exceed 10% of the latest audited net assets of the Company;
- (2) Provision of any external guarantee by the Company and its subsidiaries, the total amount of which shall not exceed 50% of the latest audited net assets of the Company;
- (3) Provision of guarantee to anyone who shall only be the subsidiaries at all levels within the range of the Company's consolidated statements and whose debt to asset ratio shall not exceed 70%;
- (4) Provision of any guarantee by the Company and its subsidiaries for twelve consecutive months, the amount of which shall not exceed 30% of the latest audited total assets of the Company;
- (5) Provision of any guarantee by the Company and its subsidiaries for twelve consecutive months, the amount of which shall not exceed 50% of the latest audited net assets of the Company.

### **4. Financing and fund management**

To decide on the financing required by the Company for its own operation and the asset guarantee provided for such financing except those matters to be decided by the general meeting as clearly stipulated in the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange and relevant laws and regulations.

To decide on the fund lending within the range of the Company's consolidated statements and other forms of fund unified management in compliance with the laws and regulations, except for those required to be submitted to the general meeting for consideration as clearly stipulated in the laws and regulations.

---

**APPENDIX I THE PLAN ON AUTHORIZATION TO THE BOARD BY THE GENERAL MEETING OF SHENWAN HONGYUAN GROUP CO., LTD. (2020)**

---

**5. External donations**

To decide on the external donations by the Company and its subsidiaries (excluding Shenwan Hongyuan Securities Co., Ltd.) for this year, the total amount of which shall not exceed RMB10 million.

To decide on the external donations by Shenwan Hongyuan Securities Co., Ltd., the total amount of which shall not exceed the sum of RMB20 million, which plus 1% of its audited net profit attributable to the parent (on a consolidated basis) in the previous year, shall not exceed RMB60 million in aggregate.

Where the amount of assistance to areas suffering from major emergencies exceeds the above total amount, it shall be reviewed and approved by the Board, and subject to the affirmative votes of more than two-thirds of the members of the Board.

**6. Purchase and disposal of fixed assets, intangible assets and investment properties**

To decide on the purchase and disposal of fixed assets, intangible assets, investment properties and other assets that meet the following conditions simultaneously:

- (1) The cumulative purchase and disposal of fixed assets, intangible assets and investment properties for the year shall not exceed 30% of the latest audited net assets of the Company;
- (2) The single purchase and disposal of the above assets shall not exceed 5% of the latest audited net assets of the Company;
- (3) Where the total value of the fixed assets disposed of within four consecutive months exceeds 33% of the value of the fixed assets as shown in the balance sheet recently reviewed by the general meeting, the Board shall cease to dispose of or agree to dispose of the Company's fixed assets if with no approval of the general meeting;
- (4) If both of book value and assessed value are available for the asset, the higher shall prevail.

**7. Asset verification**

- (1) The total amount of debt, equity and other assets verified (including the conversion of debt to equity assets) for the year shall not exceed 3% of the latest audited net assets of the Company;
- (2) The total amount of other assets verified for the year shall not exceed 1% of the latest audited net assets of the Company.

**8. Matters of subsidiaries**

Unless otherwise provided in the laws and regulations and the Articles of Association, the Board shall be authorized to decide on matters of subsidiaries (including Shenwan Hongyuan Securities Co., Ltd.) on which the Company is required to make decisions as its shareholder.

**Part III Special Instructions for the Authorization Plan**

- (1) In case of any contradiction between the Authorization Plan and the relevant regulations in laws, administrative regulations, departmental rules, other regulatory documents and securities regulatory rules of the place where the Company's shares are listed (collectively referred to as the "**Laws and Regulations**" herein), or any inconsistency of the Authorization Plan with the Articles of Association due to amendments or changes made to the latter, the Laws and Regulations and the Articles of Association shall prevail.
- (2) The term "exceed" as stated in the Authorization Plan shall all exclude the given figure; this year shall refer to the natural year; and net assets shall refer to the net assets as per the Company's latest audited consolidated statement.
- (3) General long-term equity investment mainly refers to the establishment, mergers and acquisitions as well as deregistration of subsidiaries at all levels within and outside China, or the increase or decrease in registered capital for such subsidiaries by the Company.
- (4) The verification of debt and equity assets shall satisfy the "bad debts" conditions identified in the Measures for Management of Bad Debt Verification of Financial Enterprises issued by the Ministry of Finance. The verification of assets other than the debt and equity assets that meet the requirements of the Measures (such as the verification of fixed and intangible assets) shall be identified as the verification of other assets. Any assets in case of any conversion of debt assets into equity assets, any transfer of debt assets, etc. with an impairment shall be deemed as debt assets, which shall be verified and managed according to the amount of authorization.
- (5) Subsidiary refers to an operating entity over which the Company obtains control through shareholding and whose statements are consolidated into those of the Company in accordance with the Company Law of the People's Republic of China, the Accounting Standards for Business Enterprises, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange and other laws and regulations.
- (6) If any provision of the Authorization Plan is ambiguous, it shall be interpreted in accordance with the Laws and Regulations and the Articles of Association; otherwise, it shall be interpreted by the Board. Unless expressly stipulated in the Laws and Regulations and the Articles of Association that relevant powers shall be reserved to the Board or which are clearly stated in the Authorization Plan not to be delegated, the Board may delegate part of the authorization under this Authorization Plan to the general manager.
- (7) In principle, the Company shall inspect and report on the implementation of the Authorization Plan on an annual basis, and the supervisory committee may supervise, inspect and evaluate the implementation of the authorization of the general meeting by the Board.
- (8) The formulation and modification of the Authorization Plan are ordinary resolutions of the general meeting, which shall be submitted to the general meeting for consideration upon review and approval by more than two-thirds of the directors on the Board. The Authorization Plan shall be implemented upon consideration and approval at the general meeting, and its validity period is generally one year. Upon expiration of the term of authorization, even not reauthorized by the general meeting, the Authorization Plan shall remain in effect until the general meeting makes a new authorization plan. Once effective, the Authorization Plan shall prevail if case of any inconsistency between the existing authorization documents of the Company and the Authorization Plan.