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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Holly Futures (a joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name 弘業期貨股份有限公司 and carrying on business in Hong Kong as Holly Futures) (the "Company"), you should at once hand this circular and the accompanying form of proxy and reply slip to the purchaser(s) or transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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### Holly Futures

*(a joint stock company incorporated in the People's Republic of China (the "PRC" or "China") with limited liability under the Chinese corporate name 弘業期貨股份有限公司 and carrying on business in Hong Kong as Holly Futures) (the "Company")*  
(Stock Code: 3678)

- (1) PROPOSALS FOR PROFIT DISTRIBUTION PLAN FOR THE YEAR 2022
- (2) REMUNERATION PACKAGE FOR DIRECTORS  
FOR THE YEAR 2022
- (3) REMUNERATION PACKAGE FOR SUPERVISORS  
FOR THE YEAR 2022
- (4) PURCHASE OF LIABILITY INSURANCE FOR THE COMPANY,  
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT
- (5) GENERAL MANDATE TO ISSUE A SHARES UNDER  
SIMPLIFIED PROCEDURE
- (6) UTILISATION OF PART OF THE SELF-OWNED FUNDS FOR  
ENTRUSTED WEALTH MANAGEMENT
- (7) FINANCIAL BUDGET AND INVESTMENT PLAN FOR THE YEAR 2023
- (8) NOTICE OF ANNUAL GENERAL MEETING  
AND
- (9) NOTICE OF THE 2023 FIRST H SHAREHOLDERS' CLASS MEETING

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A letter from the Board is set out on pages 4 to 12 of this circular. A notice convening the AGM and the H Shareholders' Class Meeting of the Company to be held at Conference Room 2105, 21/F, A4 Building, Financial City Phase II, No. 399 Jiang Dong Zhong Road, Jianye District, Nanjing, Jiangsu Province, the PRC on Tuesday, 6 June 2023 at 2:00 p.m. and immediately after the conclusion of the A Shareholders' Class Meeting respectively is set out on pages AGM-1 to AGM-3 and HSCM-1 to HSCM-3 of this circular, respectively.

Shareholders who intend to attend the AGM and/or the H Shareholders' Class Meeting should complete the reply slip and return it by hand or by post to the H share registrar of the Company (for holders of H Shares) on or before 6:00 p.m. on Thursday, 1 June 2023.

Shareholders who are entitled to attend and vote at the AGM and/or the H Shareholders' Class Meeting may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a Shareholder. In order to be valid, the form of proxy for the AGM and/or the H Shareholders' Class Meeting must be deposited by hand or by post, for holders of H Shares of the Company, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time for holding the AGM and the H Shareholders' Class Meeting (i.e. before 2:00 p.m. on Monday, 5 June 2023) (or any adjournment thereof) for taking the poll. If the form of proxy is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the form of proxy. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM and/or the H Shareholders' Class Meeting or any adjourned meetings should they so wish.

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## DEFINITIONS

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

“A Share(s)”	domestic listed ordinary shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed and traded on the Main Board of the Shenzhen Stock Exchange on 5 August 2022
“A Shareholders’ Class Meeting”	the class meeting of the A Shareholders to be convened and held on or around Tuesday, 6 June 2023 (or any adjournment thereof) immediately after the conclusion of the AGM to be held on the same date at the same place (or any adjournment thereof)
“A Shareholder(s)”	holders of A Shares
“AGM”	the annual general meeting of the Company to be convened and held on Tuesday, 6 June 2023 at 2:00 p.m. at Conference Room 2105, 21/F, A4 Building, Financial City Phase II, No. 399 Jiang Dong Zhong Road, Jianye District, Nanjing, Jiangsu Province, the PRC, notice of which is set out on pages AGM-1 to AGM-3 of this circular, and any adjournment thereof
“Articles of Association”	the articles of association of the Company as amended, modified or otherwise supplemented from time to time
“Board”	the board of Directors
“Board Meeting”	the Board meeting held on 29 March 2023
“First Quarter Board Meeting”	the Board meeting held on 28 April 2023
“Class Meeting(s)”	the A Shareholders’ Class Meeting and/or the H Shareholders’ Class Meeting (as the case may be)
“Company”	Holly Futures Co., Ltd. (弘業期貨股份有限公司), a joint stock limited company established under the laws of the PRC with limited liability on 29 November 2012 and carrying on business in Hong Kong as “Holly Futures”, whose H Shares are listed and traded on the Hong Kong Stock Exchange (stock code: 3678) and A Shares are listed and traded on the Main Board of the Shenzhen Stock Exchange (stock code: 001236)
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

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## DEFINITIONS

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“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“General Mandate under Simplified Procedure”	a general mandate to be granted to the Board to handle relevant matters in relation to the issue of A Shares to specific targets under simplified procedure, subject to the conditions set out in the resolutions proposed at the AGM, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting
“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 PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Share(s)”	overseas listed foreign ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each listed on the Main Board of the Hong Kong Stock Exchange
“H Shareholder(s)”	holders of H Shares
“H Shareholders’ Class Meeting”	the class meeting of the H Shareholders to be convened and held on or around Tuesday, 6 June 2023 (or any adjournment thereof) immediately after the conclusion of the A Shareholders’ Class Meeting to be held on the same date at the same place (or any adjournment thereof)
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC” or “China”	the People’s Republic of China which shall, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shares(s)”	the A Share(s) and the H Share(s) of the Company

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## DEFINITIONS

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“Shareholder(s)”	holder(s) of the Share(s)
“SOHO Holdings”	Jiangsu SOHO Holdings Group Co., Ltd. (江蘇省蘇豪控股集團有限公司) (formerly known as Jiangsu Silk Group Company Limited (江蘇省絲綢集團有限公司), a wholly state-owned limited liability company established under the laws of the PRC on 29 April 1994, which is the controlling shareholder and one of the promoters of the Company
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Supervisory Committee Meeting”	the meeting of the Supervisory Committee held on 29 March 2023
“USD”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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## LETTER FROM THE BOARD

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### Holly Futures

*(a joint stock company incorporated in the People's Republic of China  
with limited liability under the Chinese corporate name 弘業期貨股份有限公司 and carrying on  
business in Hong Kong as Holly Futures) (the "Company")*  
**(Stock Code: 3678)**

***Executive Directors:***

Ms. Zhou Jianqiu (周劍秋) (*Chairlady*)  
Mr. Chu Kairong (儲開榮)

***Non-executive Directors:***

Mr. Xue Binghai (薛炳海)  
Mr. Shan Bing (單兵)  
Mr. Jiang Lin (姜琳)

***Independent non-executive Directors:***

Mr. Wang Yuetang (王躍堂)  
Mr. Huang Dechun (黃德春)  
Mr. Lo Wah Wai (盧華威)

***Registered office and***

***headquarters in the PRC:***

Building 3, No. 399 Jiang Dong Zhong Road  
Jianye District, Nanjing  
Jiangsu Province, China

***Place of business in Hong Kong***

***registered under Part 16 of  
the Companies Ordinance:***

40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai, Hong Kong

5 May 2023

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSALS FOR PROFIT DISTRIBUTION PLAN FOR THE YEAR 2022**
- (2) REMUNERATION PACKAGE FOR DIRECTORS  
FOR THE YEAR 2022**
- (3) REMUNERATION PACKAGE FOR SUPERVISORS  
FOR THE YEAR 2022**
- (4) PURCHASE OF LIABILITY INSURANCE FOR THE COMPANY,  
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**
- (5) GENERAL MANDATE TO ISSUE A SHARES UNDER  
SIMPLIFIED PROCEDURE**
- (6) UTILISATION OF PART OF THE SELF-OWNED FUNDS FOR  
ENTRUSTED WEALTH MANAGEMENT**
- (7) FINANCIAL BUDGET AND INVESTMENT PLAN FOR THE YEAR 2023**
- (8) NOTICE OF THE ANNUAL GENERAL MEETING  
AND**
- (9) NOTICE OF THE 2023 FIRST H SHAREHOLDERS' CLASS MEETING**

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## LETTER FROM THE BOARD

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### I. INTRODUCTION

The Board approved and resolved to submit to the AGM and/or the Class Meetings (as the case may be) for approval of, among others, (1) the proposal for profit distribution plan for the year 2022; (2) the proposal for remuneration package for Directors for the year 2022; (3) the proposal for remuneration package for Supervisors for the year 2022; (4) the proposal for the purchase of liability insurance for the Company, its Directors, Supervisors, and senior management of the Company; (5) the proposal for General Mandate under Simplified Procedure; (6) the proposal for utilisation of part of the self-owned funds for entrusted wealth management; and (7) the proposal for financial budget and investment plan for the 2023.

The proposals (1), (2), (3), (4), (6) and (7) are to be approved by the Shareholders by way of ordinary resolutions at the AGM. The proposal (5) is to be approved by the Shareholders by way of special resolution at the AGM.

The proposal (5) is also to be approved by way of special resolution by the A Shareholders at the A Shareholders' Class Meeting and by the H Shareholders at the H Shareholders' Class Meeting, respectively.

The purpose of this circular is to provide the Shareholders with information on, among other things, the proposals for the aforesaid items (1), (2), (3), (4), (5), (6) and (7) above, so that the Shareholders may make an informed decision on voting in respect of the resolutions to be proposed at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting (as the case may be).

### II. PROFIT DISTRIBUTION PLAN FOR THE YEAR 2022

According to the annual results announcement of the Company for the year ended 31 December 2022 dated 29 March 2023, an ordinary resolution will be proposed at the AGM to consider and approve the annual profit distribution plan for the year 2022 (the “**2022 Profit Distribution Plan**”). Pursuant to the Notice on Further Implementation of Matters Relating to Cash Dividends for Listed Companies (關於進一步落實上市公司現金分紅有關事項的通知) and the Supervisory Guidelines for Listed Companies No. 3 – Cash Dividends for Listed Companies Dividends (上市公司監管指引第3號—上市公司現金分紅) issued by the CSRC, the Articles of Association and relevant regulations, taking into account the current and future profitability, cash flow, development stage and capital requirements of the Company, especially given that the overall development plan of the Company in 2023 requires huge capital, in order to ensure the normal operation of the Company, enhance its ability to input risks, achieve sustainable, stable and healthy development of the Company and better safeguard the interests of the Shareholders, the Board has resolved that no profit will be distributed to Shareholders for the year 2022.

The 2022 Profit Distribution Plan has been approved by the Directors at the Board Meeting and the Supervisors at the Supervisory Committee Meeting is hereby proposed at the AGM for consideration and approval by the Shareholders.

## LETTER FROM THE BOARD

### III. REMUNERATION PACKAGE FOR DIRECTORS FOR THE YEAR 2022

In accordance with relevant PRC policies and requirements, the Company formulated the remuneration packages of Directors for the year ended 31 December 2022. Such resolution has been considered and approved by the Directors at the Board Meeting, and is hereby submitted to the AGM for consideration in accordance with the Articles of Association. Details of the remuneration packages of Directors are as follows:

Name	Position	Basic remuneration (RMB)	Benefits (RMB)	Bonus (RMB)	Total (before tax) (RMB)
Zhou Yong <sup>(1)</sup>	Chairman and executive Director	–	–	–	Not having received any remuneration from the Company
Zhou Jianqiu <sup>(2)</sup>	Chairlady and executive Director	186,996	488,996	11,000	686,992
Chu Kairong <sup>(3)</sup>	Executive Director and general manager	155,836	455,836	37,400	649,072
Xue Binghai	Non-executive Director	–	–	–	Not having received any remuneration from the Company
Shan Bing	Non-executive Director	–	–	–	Not having received any remuneration from the Company
Jiang Lin	Non-executive Director	–	–	–	Not having received any remuneration from the Company
Wang Yuetang	Independent non-executive Director	119,663	–	–	119,663
Huang Dechun	Independent non-executive Director	119,663	–	–	119,663
Lo Wah Wai	Independent non-executive Director	123,645	–	–	123,645

*Notes:*

1. Mr. Zhou Yong ceased to serve as the Chairman of the Company and an executive Director with effect from 18 September 2022.
2. Mr. Zhou Jianqiu was appointed as the Chairlady of the Company and resigned as the general manager of the Company with effect from 18 September 2022.
3. Mr. Chu Kairong was appointed as the general manager of the Company and an executive Director with effect from 27 October 2022 and 22 November 2022 respectively.



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## LETTER FROM THE BOARD

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### IV. REMUNERATION PACKAGE FOR SUPERVISORS FOR THE YEAR 2022

In accordance with relevant PRC policies and requirements, the Company formulated the remuneration packages of Supervisors for the year ended 31 December 2022. Such resolution has been considered and approved by the Supervisors at the Supervisory Committee Meeting, and is hereby submitted to the AGM for consideration in accordance with the Articles of Association. Details of the remuneration packages of Supervisors are as follows:

Name	Position	Basic remuneration (RMB)	Benefits (RMB)	Bonus (RMB)	Total (before tax) (RMB)
Yu Hong	Chairlady of the Supervisory Committee	–	422,000	–	422,000
Chen Liang	Supervisor	–	–	–	Not having received any remuneration from the Company
Yao Aili <sup>(Note)</sup>	Supervisor	102,000	189,308	17,780	309,088

*Note:* Ms. Yao Aili resigned from her office as an employee representative Supervisor with effect from 20 March 2023.

### V. PURCHASE OF LIABILITY INSURANCE FOR THE COMPANY, DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

An ordinary resolution will be proposed at the AGM to approve the purchase of liability insurance for the Company, Directors, Supervisors and senior management of the Company.

In order to further improve the risk management system of the Company, reduce the operational risks of the Company and promote the Directors, Supervisors and senior management of the Company to fully exercise their decision-making, supervisory and management functions within the scope of their respective duties and to protect the rights and interests of the Company and its investors, the Company intends to purchase liability insurance for the Company, all of its Directors, Supervisors and senior management of the Company. The specific plans of the liability insurance are as follows:

- (i) Policyholder: the Company
- (ii) Insured: the Company, all of its Directors, Supervisors and senior management of the Company (details are subject to the insurance contract)

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## LETTER FROM THE BOARD

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- (iii) Compensation limit: no more than USD20 million per year (details are subject to the insurance contract)
- (iv) Premium payable: USD22,000 per year (details are subject to the insurance contract)
- (v) Insured period: 12 months

At the same time, to improve the efficiency of decision-making, the Board proposes at the AGM to authorise the management of the Company to handle specific matters relating to the purchase of liability insurance for the Company, Directors, Supervisors and senior management of the Company within the scope of the above proposal (including but not limited to identifying insurance companies, determining the limit of liability, the total amount of insurance premiums and other insurance terms and executing relevant legal documents and handling other matters related to insurance and claims) and relevant matters, such as renewal or re-enrollment of the insurance liability insurance contract for the Directors, Supervisors and senior management of the Company at the time of or before its expiration.

### **VI. GENERAL MANDATE UNDER SIMPLIFIED PROCEDURE**

A special resolution will be proposed at the AGM and the Class Meetings to consider and approve the granting of the General Mandate under Simplified Procedure to the Board to handle relevant matters in relation to the issue of A Shares, the number of which shall not exceed 20% of the total number of A Shares in issue as of the date of passing of the proposed special resolution at the AGM and the Class Meetings and the amount of proceeds of which shall not exceed RMB300 million and 20% of net assets at the end of the most recent financial year to specific targets in accordance with relevant laws and regulations. The General Mandate under Simplified Procedure shall be valid from the date of passing of the proposed special resolution at the AGM until the date of which the 2023 annual general meeting of the Company is held. Further details of the General Mandate under Simplified Procedure are set out in Appendix I to this circular.

### **VII. UTILISATION OF PART OF THE SELF-OWNED FUNDS FOR ENTRUSTED WEALTH MANAGEMENT**

An ordinary resolution will be proposed at the AGM by the Company to consider and approve the utilisation of part of its self-owned funds for entrusted wealth management, which was considered and approved by the Directors at the First Quarter Board Meeting. The details are set out as follows:

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## LETTER FROM THE BOARD

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### **I. Purpose of entrusted wealth management**

In order to enhance the utilisation efficiency of the Company's funds and increase the revenue of the Company's cash assets, the Company plans to use part of its self-owned funds to make entrusted wealth management to improve the Company's revenue, provided that the Company's operating capital needs are met. Securities investments are within the principal business lines of the Company and are part of the ordinary course of business of the Group.

### **II. Limit of entrusted wealth management**

Not exceeding RMB735 million, and can be reused so long as within the limit.

### **III. Types of entrusted wealth management**

Purchase of securities investment funds, trust products, asset management plans and other relevant financial management products issued by other financial institutions with medium to low risk and below grading.

### **IV. Effective term of investment resolution**

Valid for 12 months since the date of approval at the Shareholders' meeting, and can be reused within the aforementioned limit.

### **V. Methodology of investment**

The Board authorizes the general manager office to execute such decision-making authority and sign relevant contract documents within the aforementioned limits, including but not limited to the selection of products, the determination of investment amounts, and the signing of contracts and agreements.

### **VI. Control measures on investment risks**

The Company will strictly control and monitor investment risks in accordance with relevant investment policies.

### **VII. Sources of proceeds**

Part of the Company's self-owned funds.

## **VIII. FINANCIAL BUDGET AND INVESTMENT PLAN FOR THE YEAR 2023**

An ordinary resolution will be proposed at the AGM by the Company to consider and approve the utilisation of financial budget and investment plan for the year 2023. The relevant resolution has considered and approved by the Directors at the First Quarter Board Meeting, the details of the plan are set out as follows:

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## LETTER FROM THE BOARD

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### 1. Scope of Preparation

The scope of the plan covers the Company and its subsidiaries, including Holly Capital Management Co., Ltd. (弘業資本管理有限公司) (“**Holly Capital**”) and Holly International Financial Holdings Limited (弘業國際金融控股有限公司).

### 2. Basis of Preparation

The financial budget and investment plan are based on the Company’s “14th Five-Year Plan” development strategy and are prepared based on the following, including: (1) the national politics and laws remain stable, and there will be no significant changes that are detrimental to the Company’s business activities in the domestic or foreign macroeconomic and social environment; (2) the monetary and fiscal policies remain relatively stable and continuous, the capital market develops smoothly and healthily, and the national financial system operates smoothly; (3) the national development planning and development policies for the futures industry follow the established guidelines, and there are no material changes in the relevant policies of the futures industry or laws and regulations that have a material adverse impact on the Company’s normal operating activities; (4) other risks the Company anticipated are effectively controlled and no other risks sufficient to fundamentally affect the Company’s production and operations occur; and (5) no other material adverse impacts caused by force majeure and unforeseen factors.

### 3. Caution on Risks

The financial budget and investment plan serves as the operating guidelines and direction for internal management of the Company for 2023 and do not represent the Company’s commitments or guarantees, and their ultimate realization is subject to uncertainties due to the macroeconomic, industry development and actual operating conditions of the Company.

### 4. Principal Investment Plan

#### *(1) Equity Investment*

One equity investment project is expected to be made in 2023, which is to increase the capital of Holly Capital, a subsidiary of the Company, with a planned investment amount of RMB100 million.

#### *(2) Fixed Assets Investment*

In 2023, it is expected to invest RMB64.5 million in fixed assets, mainly including information technology renovation and smart construction of new office buildings.

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## LETTER FROM THE BOARD

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### **(3) *Financial Assets Investment***

The investment balance is expected to be within RMB545 million by the end of 2023, and the highest investment limit is expected to be within RMB865 million.

In the event that a transaction under the plan materialises and constitutes a notifiable transaction of the Company under Chapter 14 of the Listing Rules, the Company will comply with the relevant requirements under the Listing Rules and to make further announcement(s) as and when appropriate.

### **IX. AGM AND THE H SHAREHOLDERS' CLASS MEETING**

The AGM will be held at the Conference Room 2105, 21/F, A4 Building, Financial City Phase II, No. 399 Jiang Dong Zhong Road, Jianye District, Nanjing, Jiangsu Province, the PRC on Tuesday, 6 June 2023 at 2:00 p.m.. The A Shareholders' Class Meeting will be held immediately after the conclusion of the AGM at the same date and the same place, and the H Shareholders' Class Meeting will be held immediately after the conclusion of the A Shareholders' Class Meeting at the same date and the same place. Notices dated 5 May 2023 convening the AGM and the H Shareholders' Class Meeting together with the relevant reply slips and forms of proxy have been despatched to the Shareholders in accordance with the Listing Rules.

Shareholders who intend to attend the AGM and/or the H Shareholders' Class Meeting should complete the reply slip and return it by hand or by post to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares of the Company) on or before 6:00 p.m. on Thursday, 1 June 2023.

Shareholders who are entitled to attend and vote at the AGM and/or the H Shareholders' Class Meeting may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a Shareholder. In order to be valid, the form of proxy for the AGM and/or the H Shareholders' Class Meeting must be deposited by hand or by post, for holders of H Shares of the Company, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time for holding the AGM and/or the H Shareholders' Class Meeting (i.e. before 2:00 p.m. on Monday, 5 June 2023) (or any adjournment thereof) for taking the poll. If the form of proxy is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the form of proxy. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM and/or the H Shareholders' Class Meeting or any adjourned meetings should they so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the AGM and/or the H Shareholders' Class Meeting will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

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## LETTER FROM THE BOARD

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### X. 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 misleading.

### XI. RECOMMENDATIONS

The Directors consider that the proposed resolutions set out in the notice of the AGM and the H Shareholders' Class Meeting are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM and the H Shareholders' Class Meeting.

### XII. MISCELLANEOUS

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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.

The future operating and financial data, if any, contained in this circular are the objectives of the Company and do not constitute a profit forecast for the Company. There is no assurance that the Company will or will not be able to achieve these objectives. In view of the risks and uncertainties involved, the forward-looking statements contained in this circular (if any) should not be regarded as, or constitute, representations or actual undertakings by the Board or the Company to investors that the plans and objectives set forth in such plans will be achieved and investors should not place undue reliance on such statements. Unless otherwise required by applicable securities laws, the Company does not undertake to make publicly available any updates or revisions to any forward-looking statements or information (if any), whether as a result of new information, future events or otherwise.

Unless stated otherwise, the Chinese text of this circular shall prevail over the English text for the purpose of interpretation.

By order of the Board  
**Ms. Zhou Jianqiu**  
*Chairlady and Executive Director*

*The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.*

Pursuant to the Administrative Measures for the Issuance and Registration of Securities by Listed Companies (上市公司證券發行註冊管理辦法) (“**Administrative Measures**”), and subject to the Listing Rules and relevant regulations, the Board proposed at the AGM to grant the Board a general mandate (the “**General Mandate**”), authorising the Board to determine to issue specific targets new shares with a total amount of proceeds not exceeding RMB300 million and not exceeding 20% of the net assets of the Company as of the end of the most recent financial year. The validity period shall commence from the date of approval at the AGM until the date of which the 2023 annual general meeting of the Company is held.

## **I. SPECIFIC CONTENTS OF AUTHORISATION**

### **1. Confirmation on whether the Company meets the conditions for issuing A Shares to specific targets under simplified procedure**

To authorise the Board to conduct self-examination on the actual situation of the Company and relevant matters in accordance with the relevant laws, regulations, normative documents (including the Listing Rules) and the Articles of Association, to confirm whether the Company meets the conditions for issuing shares to specific targets under simplified procedure.

### **2. Class and quantities of Shares to be issued**

The class of shares to be issued is RMB ordinary shares (A Shares) with a nominal value of RMB1.00 each. The total amount of proceeds of the A Shares to be issued shall not exceed RMB300 million and 20% of the net assets of the Company as of the end of the most recent financial year. The number of shares to be issued is calculated by dividing the total amount of proceeds by the issue price and shall not exceed 20% of the total number of the A Shares in issue as of the date of passing this resolution for the General Mandate under Simplified Procedure at the AGM.

**3. Method of issue, targets of issue and arrangements for the allotment to original Shareholder**

The A Shares to be issued shall be issued to specific targets under simplified procedure. The targets of issue shall be not more than 35 specific objects such as legal persons, natural persons or other legal investment organizations that comply with the requirements of the regulatory authorities and the specific targets shall not be a connected person (as defined under the Listing Rules) of the Company. The final targets of issue will be determined by the Board and its authorised persons (within the authorisation granted by the Shareholders) in consultation with the lead underwriter in accordance with the relevant laws, regulations and normative documents, according to the subscription bidding situation and following the principle of price priority. All targets of issue will subscribe for the A Shares in cash by RMB at the same price.

**4. Pricing method or price range**

The issue price shall not be lower than 80% of the average share trading price of the 20 trading days prior to the pricing benchmark date. The formula for calculating the average share trading price of the A Shares of the 20 trading days prior to the pricing benchmark date is as follows: The average trading price of the 20 trading days prior to the pricing benchmark date = the total amount of trading of the 20 trading days prior to the pricing benchmark date/the total trading volume of the 20 trading days prior to the pricing benchmark date.

The final issue price will be determined by the Board (within the authorisation granted by the Shareholders) as discussed with the lead underwriter based on the results of the price inquiry and in accordance with the relevant regulations.

The A Shares issued to specific targets shall not be transferred within 6 months from the closing date of the issue. If the targets of issue falls under the circumstances specified in article 57(2) of the Administrative Measures, the A Shares subscribed by the targets of issue shall not be transferred within 18 months from the closing date of the issue.

**5. Use of proceeds**

The Company intends to use the proceeds from the issue to increase working capital of the Company. The use of proceeds shall comply with the following provisions:

- (i) the national industrial policies and relevant laws and administrative regulations on environmental protection and land management; and



- (ii) after the implementation of the issue proceed investment project, no competition shall exist between the controlling shareholder, actual controller and other enterprises under their control which will cause material adverse effects, obviously unfair connected transactions, or which seriously affects the independence of the Company's production and operation.

#### **6. Arrangement of accumulated undistributed profits**

After the issue, both the new Shareholders and the existing Shareholders shall be entitled to the accumulated undistributed profits of the Company in accordance with their respective shareholding.

#### **7. Valid period**

The validity period shall commence from the date of approval at the AGM until the date of which the 2023 annual general meeting of the Company is held.

### **II. AUTHORISATION TO THE BOARD TO HANDLE SPECIFIC MATTERS OF THE ISSUE**

The Board is authorised, including, among others, to handle all matters relating to the issue at its sole discretion in accordance to relevant laws, regulations, normative documents and the Articles of Association:

- (1) to handle matters in relation to filing of the issue, including drafting, amending, signing, filing relevant documents and other legal documents in relation to the issue;
- (2) to formulate, adjust and implement the plan of issue (the “**Issuance Plan**”) including but not limited to the time of issue, issue price, number of issue, targets of issue, amount of proceeds and other matters related to the Issuance Plan in accordance with relevant laws, regulations and provisions requirements of securities regulatory authorities and the Articles of Association based on the requirements of relevant authorities and the actual situation of the Company;
- (3) to prepare, revise and submit the Issuance Plan and the listing materials for the Issuance Plan in accordance with the requirements of relevant government departments and regulatory authorities, to go through relevant procedures and to implement other procedures such as restrictions on the sale of shares in connection with the issue, and handle information disclosure matters related to the issue in accordance with regulatory requirements;
- (4) to sign, amend, supplement, deliver, submit and execute all agreements in relation to the issue, including but not limited to the sponsor and underwriting agreements, agreements in relation to the proceeds, subscription agreements with investors, announcements and other disclosure documents;

- (5) to adjust the specific arrangement of the use of proceeds (within the authorisation granted by the Shareholders), according to the requests of the relevant authorities and the actual situation of the securities market;
- (6) to engage intermediaries such as sponsor (lead underwriter) and handle matters relating thereto;
- (7) to complete the registration or filings with industrial and commercial authorities in relation to the change of registered capital and Articles of Association and relevant matters when the issue has completed;
- (8) if there are new regulations or policies in relation to refinancing for immediate returns, to further analyse, study and demonstrate the impact of the issue on the immediate financial indicators of the Company and the immediate return to the Shareholders in accordance with new provisions and requirements and the requests of the relevant authorities and handle matters relating thereto;
- (9) to adjust, postpone or terminate the Issuance Plan, or adjust the Issuance Plan if there are new regulations or policies in the laws, regulations and normative documents related to the issuance, at its own discretion in the event of force majeure or other circumstances that may result in difficulties in the implementation of the Issuance Plan, or in the event that the implementation of the issue will result in adverse impacts to the Company;
- (10) to adjust the maximum number of Shares to be issued in the event that the change in share capital of the Company as a result of bonus issue, capital conversion or other reasons prior to the issue;
- (11) to establish a special account for depositing the proceeds under this issue and handle matters in relation to the use of proceeds; and
- (12) to handle other relevant matters in relation to this issue.

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## NOTICE OF ANNUAL GENERAL MEETING

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### Holly Futures

*(a joint stock company incorporated in the People's Republic of China (the "PRC" or "China") with limited liability under the Chinese corporate name 弘業期貨股份有限公司 and carrying on business in Hong Kong as Holly Futures) (the "Company")*  
(Stock Code: 3678)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the "AGM") of the Company will be held at 2:00 p.m. on Tuesday, 6 June 2023 at Conference Room 2105, 21/F, A4 Building, Financial City Phase II, No. 399 Jiang Dong Zhong Road, Jianye District, Nanjing, Jiangsu Province, the PRC for the purpose of considering and, if thought fit, passing the following resolutions:

### AS ORDINARY RESOLUTIONS

1. To consider and approve the A Shares annual report of the Company for the year ended 31 December 2022 and its summary report;
2. To consider and approve (i) the H Shares annual report of the Company for the year ended 31 December 2022; and (ii) the annual report of the Company for the year ended 31 December 2022 prepared in accordance with the relevant regulations and requirements of the China Securities Regulatory Commission;
3. To consider and approve the report of the Board for the year ended 31 December 2022;
4. To consider and approve the report of the Supervisory Committee for the year ended 31 December 2022;
5. To consider and approve the final financial report of the Company for the year ended 31 December 2022;
6. To consider and approve the profit distribution plan of the Company for the year ended 31 December 2022;
7. To consider and approve the re-appointment of ShineWing Certified Public Accountants LLP as the auditor of the Company, to hold office until the conclusion of the next annual general meeting of the Company, and to authorise the general manager's office of the Company to fix their remuneration at its meetings;

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## NOTICE OF ANNUAL GENERAL MEETING

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8. To authorise the Board to fix the remuneration packages of Directors for the year ended 31 December 2022;
9. To authorise the Supervisory Committee to fix the remuneration packages of Supervisors for the year ended 31 December 2022;
10. To consider and approve the purchase of liability insurance for the Company, the Directors, Supervisors and senior management;
11. To consider and approve the utilisation of part of the self-owned funds for entrusted wealth management;
12. To consider and approve the financial budget and investment plan for the year 2023; and

### AS A SPECIAL RESOLUTION

13. To consider and approve the proposed grant of the General Mandate under Simplified Procedure to the Board to issue A Shares, the total number of which shall not exceed 20% of the A Shares in issue as of the date of the passing of this proposed resolution at the AGM, and the passing of the proposed resolutions having the same terms with this proposed resolution at the at the class meeting of holders of A Shares of the Company and the class meeting of holders of H Shares of the Company, and the total proceeds of which shall not exceed RMB300 million and not exceeding 20% of the net assets at the end of the most recent year during a period from the date of passing this proposed resolution at the AGM until the date of which the 2023 annual general meeting of the Company is held, and to authorise the Board and its delegates to approve, execute and do, or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the General Mandate under Simplified Procedure.

By order of the Board

**Ms. Zhou Jianqiu**

*Chairlady and Executive Director*

Nanjing, the PRC, 5 May 2023

*Notes:*

1. All resolutions at the AGM will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited and the Company in accordance with the Listing Rules.

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## NOTICE OF ANNUAL GENERAL MEETING

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2. To ascertain shareholders of the Company who is entitled to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 1 June 2023 to Tuesday, 6 June 2023 (both days inclusive), during which period no transfer of Shares of the Company can be registered. Holders of H Shares whose names appear on the registers of members of the Company after the close of business on Wednesday, 31 May 2023 shall be entitled to attend and vote at the AGM. In order to qualify to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares of the Company) no later than 4:30 p.m. on Wednesday, 31 May 2023.
3. Shareholders who intend to attend the AGM should complete the reply slip and return it by hand or by post to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares of the Company) on or before 6:00 p.m. on Thursday, 1 June 2023.
4. Shareholders who are entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a shareholder.
5. In order to be valid, the form of proxy for the AGM must be deposited by hand or post, for holders of H Shares of the Company, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time for holding the AGM (i.e. before 2:00 p.m. on Monday, 5 June 2023) (or any adjournment thereof) for taking the poll. If the form of proxy is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the form of proxy. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the AGM or any adjourned meetings should they so wish.

If the proxy is a legal person, its legal representative or any representative authorised by a resolution of its board of directors or by other governing body shall attend the AGM on its behalf. If the shareholder is a recognised clearing house (or its proxy) defined by the Hong Kong relevant ordinance from time to time, the shareholder may authorise one or more persons it considers appropriate as its representative(s) at the above meeting; however, if more than one person are authorised, the power of attorney shall contain the number and class of shares for which such persons are authorised, and shall be signed by an authorised personnel of the recognised clearing house. The person(s) so authorised can represent the recognised clearing house (or its proxy) to attend the AGM and exercise its right, as if the persons are the Company's individual shareholders, and shall not be required to produce evidence of shareholding, the notarised power of attorney and/or further evidence to prove that he/she/they have been duly authorised.

A vote provided in according to the instruments in such form of proxy shall be valid, notwithstanding the previous death or loss of capacity of the appointer or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares with respect to which the proxy is given, provided that no notice in writing of such matters shall have been received by the Company prior to the AGM.

6. In case of joint shareholder for any share, only the person whose name is at the first place on the register of shareholders has the rights to receive the certificate of relevant shares and notice from the Company and to attend or exercise all of the votes relating to the shares.
7. Shareholders or their proxies shall provide their identity documents when attending the AGM.
8. In this notice of the AGM, unless the context otherwise requires, terms used herein shall have the same meanings as defined in the Company's circular dated 5 May 2023.

*As at the date of this notice, the Board consists of Ms. Zhou Jianqiu and Mr. Chu Kairong as executive Directors; Mr. Xue Binghai, Mr. Jiang Lin and Mr. Shan Bing as non-executive Directors; and Mr. Wang Yuetang, Mr. Huang Dechun and Mr. Lo Wah Wai as independent non-executive Directors.*

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# NOTICE OF THE 2023 FIRST H SHAREHOLDERS' CLASS MEETING

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## Holly Futures

*(a joint stock company incorporated in the People's Republic of China (the "PRC" or "China") with limited liability under the Chinese corporate name 弘業期貨股份有限公司 and carrying on business in Hong Kong as Holly Futures) (the "Company")*  
(Stock Code: 3678)

### NOTICE OF THE 2023 FIRST H SHAREHOLDERS' CLASS MEETING

**NOTICE IS HEREBY GIVEN** that the 2023 first class meeting of the H shareholders of the Company (the "**H Shareholders' Class Meeting**") will be held immediately after the conclusion of the 2023 first class meeting of the A shareholders of the Company held at Conference Room 2105, 21/F, A4 Building, Financial City Phase II, No. 399 Jiang Dong Zhong Road, Jianye District, Nanjing, Jiangsu Province, the PRC on the same date or any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolution:

#### AS A SPECIAL RESOLUTION

To consider and approve the proposed grant of the General Mandate under Simplified Procedure to the Board to issue A Shares, the total number of which shall not exceed 20% of the A Shares in issue as of the date of the passing of this proposed resolution at the AGM, and the passing of the proposed resolutions having the same terms with this proposed resolution at the class meeting of holders of A Shares of the Company and H Shareholders' Class Meeting, and the total proceeds of which shall not exceed RMB300 million and not exceeding 20% of the net assets at the end of the most recent year during a period from the date of passing this proposed resolution at the AGM until the date of which the 2023 annual general meeting of the Company is held, and to authorise the Board and its delegates to approve, execute and do, or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the General Mandate under Simplified Procedure.

By order of the Board  
**Ms. Zhou Jianqiu**  
*Chairlady and Executive Director*

Nanjing, the PRC, 5 May 2023

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## NOTICE OF THE 2023 FIRST H SHAREHOLDERS' CLASS MEETING

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*Notes:*

1. The resolution at the H Shareholders' Class Meeting will be taken by poll.
2. The register of members of the Company will be closed from Thursday, 1 June 2023 to Tuesday, 6 June 2023 (both days inclusive), during which period no transfer of shares of the Company can be registered. In order to qualify to attend and vote at the H Shareholders' Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Wednesday, 31 May 2023.
3. H Shareholders who intend to attend the H Shareholders' Class Meeting should complete the reply slip and return it by hand, by post or by fax to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong on or before 6:00 p.m. on Thursday, 1 June 2023.
4. H Shareholders who are entitled to attend and vote at the H Shareholders' Class Meeting may appoint one or more proxies to attend and vote on their behalves. A proxy need not be an H shareholder of the Company.
5. The instrument appointing a proxy must be in writing under the hand of an H Shareholder or his attorney duly authorised in writing. If the H Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same on its behalf.
6. In order to be valid, the proxy form for the H Shareholders' Class Meeting must be deposited by hand or post, for holders of H shares of the Company, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 24 hours (i.e. not later than 2:00 p.m. on Monday, 5 June 2023) before the time for holding the H Shareholders' Class Meeting (or any adjournment thereof). If the proxy form is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude the H Shareholders from attending and voting in person at the H Shareholders' Class Meeting or any adjourned meetings should they so wish.

If the proxy is a legal person, its legal representative or any representative authorised by a resolution of its board of directors or by other governing body shall attend the H Shareholders' Class Meeting on its behalf. If the H shareholder is a recognised clearing house (or its proxy) defined by the Hong Kong relevant Ordinance from time to time, the H Shareholder may authorise one or more persons it considers appropriate as its representative(s) at the H Shareholders' Class Meeting; however, if more than one person are authorised, the power of attorney shall contain the number and class of shares for which such persons are authorised, and shall be signed by an authorised personnel of the recognised clearing house. The person(s) so authorised can represent the recognised clearing house (or its proxy) to attend the H Shareholders' Class Meeting and exercise its right, as if the persons are the Company's individual H Shareholders, and shall not be required to produce evidence of shareholding, the notarised power of attorney and/or further evidence to prove that he/she/they have been duly authorised.

A vote provided according to the instruments in such proxy forms shall be valid, notwithstanding the previous death or loss of capacity of the appointer or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares with respect to which the proxy is given, provided that no notice in writing of such matters shall have been received by the Company prior to the H Shareholders' Class Meeting.

7. In case of joint shareholder for any H Share, only the person whose name is at the first place on the register of Shareholders has the rights to receive the certificate of relevant Shares and notice from the Company and to attend or exercise all of the votes relating to the Shares.

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## NOTICE OF THE 2023 FIRST H SHAREHOLDERS' CLASS MEETING

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8. H Shareholders or their proxies shall provide their identity documents when attending the H Shareholders' Class Meeting. If corporate H shareholders appoint authorised representative to attend the H Shareholders' Class Meeting, the authorised representative shall produce his/her identity documents and a notarial copy of the relevant authorisation instrument signed by the board or other authorised parties of the corporate H Shareholders or other notarial documents allowed by the Company. Proxies shall produce their identity documents and the proxy form signed by the H Shareholders or their attorney when attending the H Shareholders' Class Meeting.
9. H Shareholders attending the H Shareholders' Class Meeting shall bear their own traveling and accommodation expenses.

*As at the date of this notice, the Board consists of Ms. Zhou Jianqiu and Mr. Chu Kairong as executive Directors; Mr. Xue Binghai, Mr. Jiang Lin and Mr. Shan Bing as non-executive Directors; and Mr. Wang Yuetang, Mr. Huang Dechun and Mr. Lo Wah Wai as independent non-executive Directors.*