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**SHENWAN HONGYUAN (H.K.) LIMITED**  
**申萬宏源(香港)有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 218)**

**VOLUNTARY ANNOUNCEMENT**  
**POTENTIAL DISPOSAL OF A SUBSIDIARY**

This is a voluntary announcement made by Shenwan Hongyuan (H.K.) Limited (the “**Company**”).

**POTENTIAL DISPOSAL**

The board of directors (the “**Board**”) of the Company hereby announces that on 20 February 2020, the Company received a non-legally binding indicative letter from Shenwan Hongyuan (International) Holdings Limited, the controlling shareholder of the Company, expressing an interest to acquire the 100% equity interests in Shenwan Hongyuan Singapore Private Limited for the purpose of implementing its internationalization strategy (“**Potential Disposal**”). As at the date of this announcement, Shenwan Hongyuan Singapore Private Limited is an indirect wholly-owned subsidiary of the Company incorporated in Singapore, undertaking securities brokerage business and fund management.

**NATURE OF THE INDICATIVE LETTER**

The aforesaid indicative letter does not create a legally binding or enforceable offer to any other party in connection with the Potential Disposal unless and until a definitive transaction agreement is entered into among the parties.

**GENERAL**

As at the date of this announcement, the terms and conditions of the Potential Disposal are still being negotiated and no definitive transaction agreement or other legally binding agreement has been entered into. Shenwan Hongyuan (International) Holdings Limited directly and indirectly holds approximately 75% of the Company’s issued shares and is therefore a connected person of the Company under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). As such, the Potential Disposal may constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Potential Disposal, if materializes, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

The Board wishes to emphasize that the Potential Disposal is subject to, among other things, the signing of the definitive transaction agreement, the terms and conditions of which are yet to be agreed. There is no assurance that the Potential Disposal will materialize. As the Potential Disposal may or may not proceed, shareholders and potential investors of the Company are reminded to exercise caution when dealing in the shares of the Company.

By Order of the Board  
**Shenwan Hongyuan (H.K.) Limited**  
**Qiu Yizhou**  
*Chief Executive Officer*

Hong Kong, 27 February 2020

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