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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)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO
THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

References are made to the (i) circular of Shenwan Hongyuan (H.K.) Limited (the “**Company**”) dated 16 January 2019 (the “**Circular**”) and the announcements of the Company dated 14 December 2018 and 18 February 2019 (the “**Announcements**”) in relation to, among other things, the connected transaction for the subscription of new shares by connected person under specific mandate (the “**Subscription**”); and (ii) annual report of the Company for the year ended 31 December 2020 (the “**2020 Annual Report**”) published by the Company on 20 April 2021. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular, the Announcements and the 2020 Annual Report.

In addition to the information disclosed in the section headed “Management Discussion & Analysis” in the 2020 Annual Report, the Company would like to provide additional information pursuant to paragraphs 11(8) and 11A of Appendix 16 to the Listing Rules in relation to the use of net proceeds of approximately HK\$1,580.1 million (the “**Net Proceeds**”) raised from the Subscription.

The original purpose of the Net Proceeds disclosed in the Circular and actual use of the Net Proceeds for the years ended 31 December 2019 and 2020 are set out below:

	The original purpose of the Net Proceeds disclosed in the Circular HK\$ million	Percentage to the total Net Proceeds	Actual use of the Net Proceeds for the years ended		Balance of the Net Proceeds as at 31 December 2020 HK\$ million
			31 December 2019 HK\$ million	31 December 2020 HK\$ million	
(a) Reinforcing and developing existing businesses					
(i) corporate finance business	493.8	31%	493.8	-	-
(ii) asset management business	395.0	25%	-	395.0	-
(iii) retail brokerage business	158.0	10%	158.0	-	-
(iv) back end system upgrade	118.5	8%	9.3	109.2	-
(v) general working capital	98.8	6%	98.8	-	-
(b) Strategic expansion					
(i) expanding institutional sales team and debt capital markets business and developing foreign exchange trading business	197.5	12%	197.5	-	-
(ii) developing overseas branches	118.5	8%	-	118.5	-
	1,580.1	100%	957.4	622.7	-

As at 31 December 2020, the Net Proceeds had been fully utilised and used as intended as stated in the Announcements and the Circular.

The information contained in this supplemental announcement does not affect other information contained in the 2020 Annual Report and save as disclosed above, all other information in the 2020 Annual Report remains unchanged.

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

Hong Kong, 20 August 2021

As at the date of this announcement, the Board of the Company comprises 9 directors, of which Mr. Fang Qingli, Mr. Guo Chun, Mr. Zhang Jian, Ms. Wu Meng and Mr. Liang Jun 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.