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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)**

**ISSUANCE OF U.S.\$200,000,000 1.5 PER CENT.  
BONDS DUE 2023**

The Board is pleased to announce that on 20 January 2022, the Company and the Managers entered into the Subscription Agreement in connection with the Bonds in the aggregate principal amount of U.S.\$200,000,000.

The Company will conduct an international offering of the Bonds to professional investors only. The Bonds will only be offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. None of the Bonds will be offered to the public in Hong Kong.

The proceeds from the Bonds are intended to be used primarily for general corporate purposes. The Company may adjust the foregoing plan in response to changing market conditions and thus, reallocate the use of proceeds.

A confirmation of the eligibility for the listing of the Bonds has been received from the Stock Exchange. Admission of the Bonds to the Stock Exchange is not to be taken as an indication of the commercial merits of the Company or the Bonds.

**As the conditions precedent to completion of the Subscription Agreement may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events, potential investors and Shareholders are advised to exercise caution when dealing in the securities of the Company.**

# **SUBSCRIPTION AGREEMENT**

## **Date**

20 January 2022

## **Parties**

- (1) the Company; and
- (2) the Managers.

The Bonds have not been and will not be registered under the Securities Act and shall not be offered or sold within the United States subject to certain exceptions. The Bonds will only be offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. None of the Bonds will be offered to the public in Hong Kong.

## **PRINCIPAL TERMS AND CONDITIONS**

### **Bonds offered**

Subject to satisfaction of conditions precedent to closing, the Company will issue the Bonds in the aggregate principal amount of U.S.\$200,000,000. The Bonds will mature on 26 January 2023, unless previously redeemed, or purchased and cancelled in accordance with the Terms and Conditions and the Trust Deed. At maturity, the Bonds will be redeemed at their principal amount.

### **Issue Price**

The issue price of the Bonds will be 100.0 per cent. of the principal amount.

### **Interest**

The Bonds will bear interest on their outstanding principal amount from and including 27 January 2022 at the rate of 1.5 per cent. per annum, payable in arrear on 27 July 2022 and 26 January 2023.

## **Status of the Bonds**

The Bonds will constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank *pari passu* with all the Company's other present and future unsecured and unsubordinated obligations.

## **Redemption**

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 26 January 2023. The Bonds may not be redeemed at the option of the Company other than in accordance with Condition 6.

In accordance with the Terms and Conditions, the Bonds may be redeemed in any of the following circumstances:

- (1) the Bonds may be redeemed at the option of the Company in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable), at their principal amount together with any interest accrued up to, but excluding the date fixed for redemption in the event that the Company has or will become obliged to pay additional tax amounts as a result of any change in, or amendment to, the laws or regulations of Hong Kong or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 20 January 2022 and such obligation cannot be avoided by the Company taking reasonable measures available to it; and
- (2) at any time following the occurrence of a Change of Control (as defined in the Terms and Conditions), the holder of any Bond will have the right, at such holder's option, to require the Company to redeem all but not some only of that holder's Bonds on the put settlement date (as provided in the Terms and Conditions) at 101 per cent. of their principal amount, together with accrued interest up to but excluding such put settlement date.

## **PROPOSED USE OF PROCEEDS**

The proceeds from the Bonds are intended to be used primarily for general corporate purposes. The Company may adjust the foregoing plan in response to changing market conditions and thus, reallocate the use of proceeds.

## **LISTING**

A confirmation of the eligibility for the listing of the Bonds has been received from the Stock Exchange. Admission of the Bonds to the Stock Exchange is not to be taken as an indication of the commercial merits of the Company or the Bonds.

## **GENERAL**

**As the conditions precedent to completion of the Subscription Agreement may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events, potential investors and Shareholders are advised to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

<b>Board</b>	the board of Directors
<b>Bondholder(s)</b>	holder(s) of the Bonds
<b>Bonds</b>	U.S.\$200,000,000 in aggregate principal amount of 1.5 per cent. Bonds due 2023 proposed to be issued by the Company
<b>Company</b>	SHENWAN HONGYUAN (H.K.) LIMITED, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 218)
<b>Condition</b>	the condition stipulated in the Terms and Conditions

<b>Director(s)</b>	the director(s) of the Company
<b>Group</b>	the Company and its consolidated subsidiaries
<b>Hong Kong</b>	the Hong Kong Special Administrative Region of the PRC
<b>Managers</b>	the managers in respect of the offer and sale of the Bonds, namely, Shenwan Hongyuan Securities (H.K.) Limited, CMB Wing Lung Bank Limited, Industrial Bank Co., Ltd. Hong Kong Branch, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, China Industrial Securities International Brokerage Limited, China Construction Bank (Asia) Corporation Limited, China International Capital Corporation Hong Kong Securities Limited, China Merchants Securities (HK) Co., Limited, CCB International Capital Limited, CMB International Capital Limited, CEB International Capital Corporation Limited, Central China International Securities Co., Limited and China Galaxy International Securities (Hong Kong) Co., Ltd.
<b>PRC</b>	the People's Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
<b>Securities Act</b>	the United States Securities Act of 1933, as amended
<b>Shareholder(s)</b>	holder(s) of the ordinary share(s) of the Company
<b>Stock Exchange</b>	The Stock Exchange of Hong Kong Limited
<b>Subscription Agreement</b>	the subscription agreement entered into amongst the Company and the Managers on 20 January 2022
<b>Terms and Conditions</b>	the terms and conditions of the Bonds, which are appended to the Trust Deed

<b>Trust Deed</b>	the trust deed proposed to be entered into between the Company and the Trustee in relation to the Bonds as amended or supplemented from time to time
<b>Trustee</b>	China Construction Bank (Asia) Corporation Limited
<b>United States</b>	the United States of America, its territories and possessions and all areas subject to its jurisdiction
<b>U.S.\$</b>	United States dollars, the lawful currency of the United States

By order of the Board  
**SHENWAN HONGYUAN (H.K.) LIMITED**  
**Liang Jun**  
*Executive Director & Chief Executive Officer*

Hong Kong, 21 January 2022

*As at the date of this announcement, the Board of the Company comprises eight Directors, of which Ms. Wu Meng, Mr. Guo Chun, Mr. Zhang Jian 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.*