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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)

UPDATE ON PROFIT ALERT
PROFIT WARNING

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 4 February 2022 in relation to the profit alert of the Company (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise specified.

The Board wishes to update the shareholders and potential investors of the Company that, based on the latest financial information available to the Board and on-going discussions with auditor of the Company, the unaudited consolidated loss after tax of the Group for the year ended 31 December 2021 is expected to record a range of HK\$93 million to HK\$98 million. After on-going discussions with auditor of the Company and based on prudent consideration, such expected loss was mainly due to a further increase in expected credit loss provision of fixed income products in institutional services and trading business. This expected credit loss provision is not a realized loss. The abovementioned accounting adjustment has little impact on our financial position and our business operates as normal.

The information contained in this announcement is subject to finalisation of the consolidated financial statements of the Group and completion of audit by the auditor of the Company. Therefore, the actual final annual results for the year ended 31 December 2021 may differ from the information contained in this announcement. Shareholders and potential investors must exercise caution when using such data to evaluate the Group’s financial conditions and results of operations. Shareholders and potential investors are advised to refer to the annual results announcement for the year ended 31 December 2021 of the Company, which is expected to be published on 28 March 2022 in accordance with the requirements of the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Shenwan Hongyuan (H.K.) Limited
Liang Jun
Executive Director & Chief Executive Officer

Hong Kong, 17 March 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.