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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)

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).

The board of directors (the “**Board**”) of Shenwan Hongyuan (H.K.) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to inform the shareholders and potential investors of the Company that, based on the latest financial information available to the Board, the unaudited consolidated loss after tax of the Group for the six months ended 30 June 2022 is expected to be between HK\$120 million and HK\$125 million as compared with a consolidated profit after tax of HK\$53.67 million for the six months ended 30 June 2021.

Due to certain adverse factors, such as the repeated coronavirus (COVID) epidemics, the geopolitical tension and tightening global monetary policy as a result of hikes in the federal funds rate, which caused a bleak investment sentiment and sluggish market conditions in Hong Kong’s capital market in the first half of 2022, fee income, commission income and interest income have decreased. Further, due to the uncertainties of bond market, there was an increase in the expected credit loss provision of fixed income products in institutional services and trading business. The expected credit loss provision is not a realized loss. The business of the Group operates as usual and the overall financial, business and operating positions of the Group remains sound.

As at the date of this announcement, the Company is still in the process of preparing the unaudited consolidated financial results of the Group for the six months ended 30 June 2022. The information contained in this announcement is only based on the preliminary review of the management accounts of the Group and the information currently available to the Board and is not based on any figures or information which has been audited or reviewed by the Company’s auditors. Therefore, the actual final interim results for the six months ended 30 June 2022 may differ from the information contained in this announcement. Shareholders and potential investors are advised to refer to the interim results announcement for the six months ended 30 June 2022 of the Company.

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, 4 August 2022

As at the date of this announcement, the Board comprises eight Directors, of which Ms. Wu Meng, Mr. Zhang Jian, Mr. Liang Jun and Mr. Hu Jing 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.