申 萬 宏 源 集 團 股 份 有 限 公 司
SHENWAN HONGYUAN GROUP CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6806)

2020 THIRD QUARTERLY REPORT

This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Set out below is the 2020 third quarterly report of Shenwan Hongyuan Group Co., Ltd. (the "**Company**") and its subsidiaries (the "**Group**") as of 30 September 2020. The financial report contained therein is prepared pursuant to the China Accounting Standards for Business Enterprises and has not been audited.

This report is prepared in both Chinese and English languages. In the event of any inconsistency between these two versions, the Chinese version shall prevail.

By order of the Board
Shenwan Hongyuan Group Co., Ltd.
Chu Xiaoming
Chairman

Beijing, the PRC
30 October 2020

As at the date of this announcement, the board of directors comprises Mr. Chu Xiaoming, Mr. Yang Wenqing and Mr. Xu Zhibin as Executive Directors; Mr. Chen Jianmin, Mr. Wang Honggang, Ms. Ge Rongrong, Mr. Ren Xiaotao and Mr. Zhang Yigang as Non-executive Directors; Ms. Ye Mei, Mr. Xie Rong, Ms. Huang Danhan and Ms. Yang Qiumei as Independent Non-executive Directors.

Shenwan Hongyuan Group Co., Ltd.
2020 Third Quarterly Report

Section I Important Notice

1. The board of directors, the board of supervisors and the directors, supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of the content contained in this quarterly report, and that there are no misstatements, misleading representations or material omission in the contents contained herein, and severally and are jointly bear full legal responsibilities thereof.

2. This quarterly report was considered and approved at the 55th meeting of the fourth session of the board of directors of the Company. 12 directors shall participate in the poll of the meeting and the actual number of directors participated was 12.

3. No directors, supervisors or members of senior management of the Company declares the inability to warrant or disagreement with the truthfulness, accuracy and completeness of the content herein this quarterly report.

4. The Company's financial statements of this quarter are unaudited.

5. Mr. Xu Zhibin, the legal representative of the Company, Mr. Yang Changyun, the chief financial officer of the Company, and Ms. Zhang Yan, the person in charge of the planning and finance department of the Company, have declared that they warrant the truthfulness, accuracy and completeness of the financial statements in this quarterly report.

Section II Basic Information of the Company

I. Key accounting data and financial indicators

Unit: RMB

Items	As at the end of the reporting period	As at the end of last year	Increase/decrease from the end of last year (%)
Total assets	472,843,549,641.32	388,537,264,595.61	21.70
Net assets attributable to shareholders of the Company	87,271,183,402.90	83,206,189,813.84	4.89

Items	The reporting period	Increase/decrease as compared with the corresponding period of last year (%)	From the beginning of the year to the end of the reporting period	Increase/decrease as compared with the corresponding period of last year (%)
Operating income	8,092,953,683.97	36.30	21,479,366,117.56	30.80
Net profit attributable to shareholders of the Company	2,494,324,264.95	60.39	6,529,091,469.44	37.26
Net profit attributable to shareholders of the Company, net of non-recurring items	2,482,216,149.51	60.22	6,388,849,444.43	34.80
Net cash flows from operating activities	—	—	(22,989,515,273.28)	N/A
Basic earnings per share (RMB/share)	0.10	66.67	0.26	30.00
Diluted earnings per share (RMB/share)	0.10	66.67	0.26	30.00
Weighted average return on net asset (%)	2.90	Increased by 0.99 percentage point	7.63	Increased by 1.37 percentage points

Total share capital of the Company as of the trading day prior to the disclosure of this quarterly report

Total share capital of the Company as of the trading day prior to the disclosure of this quarterly report (number of shares)	25,039,944,560
Fully diluted earnings per share calculated with reference to the latest share capital (RMB/share)	0.2607

Items and amounts of the non-recurring profit or loss

Unit: RMB

Items	Amount from the beginning of the year to the end of the reporting period	Note
Profit or loss from disposal of non-current assets (including write-offs of asset impairment provision)	4,711,009.58	Mainly comprising of the profit or loss from the disposal of fixed assets
Government grants attributable to profit or loss for the period (excluding those closely related to operating activities and granted in a fixed amount or fixed quota according to the national unified standards)	221,579,431.47	Mainly comprising of the financial incentives and special grants
Other non-operating income and expenses other than the above items	(36,422,085.99)	Mainly comprising of external donations and sponsorship expenditures
Less: Effect of income tax	47,333,126.09	—
Effect of non-controlling interest (net of tax)	2,293,203.96	—
Total	140,242,025.01	—

II. Total number of shareholders and top ten shareholdings as at the end of the reporting period

Unit: Share

<table>
<tr><td colspan="2">Total number of shareholders of ordinary shares as at the end of the reporting period</td><td>317,210 (including 317,139 A shareholders and 71 H shareholders)</td><td colspan="3">Number of shareholders of preference shares with restored voting rights as at the end of the reporting period (if any)</td><td colspan="2">Nil</td></tr>
<tr><td colspan="8">Shareholdings of the top ten shareholders</td></tr>
<tr><td rowspan="2">Name of shareholders</td><td rowspan="2">Nature of shareholders</td><td rowspan="2">Percentage of shareholdings (%)</td><td rowspan="2">Number of shares held</td><td rowspan="2">Number of shares held subject to lock-up</td><td colspan="2">Pledged or frozen</td></tr>
<tr><td>Share status</td><td>Number</td></tr>
<tr><td>China Jianyin Investment Limited</td><td>State-owned legal entity</td><td>26.34</td><td>6,596,306,947</td><td>0</td><td>—</td><td>—</td></tr>
<tr><td>Central Huijin Investment Ltd.</td><td>State shares</td><td>20.05</td><td>5,020,606,527</td><td>0</td><td>—</td><td>—</td></tr>
<tr><td>HKSCC Nominees Limited</td><td>Overseas legal person</td><td>10.00</td><td>2,503,756,180</td><td>0</td><td>N/A</td><td>—</td></tr>
<tr><td>Shanghai Jiushi (Group) Co., Ltd.</td><td>State-owned legal entity</td><td>4.84</td><td>1,212,810,389</td><td>0</td><td>—</td><td>—</td></tr>
<tr><td>Sichuan Development Holding Co., Ltd.</td><td>State-owned legal entity</td><td>4.49</td><td>1,124,543,633</td><td>0</td><td>Pledged</td><td>562,271,816</td></tr>
<tr><td>China Everbright Group Ltd.</td><td>State-owned legal entity</td><td>3.99</td><td>999,000,000</td><td>0</td><td>Pledged</td><td>67,500,000</td></tr>
<tr><td>China Securities Finance Corporation Limited</td><td>Onshore general legal entity</td><td>2.54</td><td>635,215,426</td><td>0</td><td>—</td><td>—</td></tr>
<tr><td>Xinjiang Financial Investment Co., Ltd.</td><td>State-owned legal entity</td><td>1.84</td><td>460,642,216</td><td>0</td><td>Pledged</td><td>152,150,000</td></tr>
<tr><td>Hong Kong Securities Clearing Company Limited</td><td>Overseas legal person</td><td>1.14</td><td>285,452,260</td><td>0</td><td>N/A</td><td>—</td></tr>
<tr><td>Central Huijin Asset Management Ltd.</td><td>State-owned legal entity</td><td>0.79</td><td>197,390,385</td><td>0</td><td>—</td><td>—</td></tr>
</table>

Shareholdings of top ten ordinary shareholders without selling restrictions			
Name of shareholders	**Number of ordinary shares without selling restrictions**	**Type of shares**	
		Type of shares	**Numbers**
China Jianyin Investment Limited	6,596,306,947	RMB-denominated ordinary shares	6,596,306,947
Central Huijin Investment Ltd.	5,020,606,527	RMB-denominated ordinary shares	5,020,606,527
HKSCC Nominees Limited	2,503,756,180	Overseas listed foreign shares	2,503,756,180
Shanghai Jiushi (Group) Co., Ltd.	1,212,810,389	RMB-denominated ordinary shares	1,212,810,389
Sichuan Development Holding Co., Ltd.	1,124,543,633	RMB-denominated ordinary shares	1,124,543,633
China Everbright Group Ltd.	999,000,000	RMB-denominated ordinary shares	999,000,000
China Securities Finance Corporation Limited	635,215,426	RMB-denominated ordinary shares	635,215,426
Xinjiang Financial Investment Co., Ltd.	460,642,216	RMB-denominated ordinary shares	460,642,216
Hong Kong Securities Clearing Company Limited	285,452,260	RMB-denominated ordinary shares	285,452,260
Central Huijin Asset Management Ltd.	197,390,385	RMB-denominated ordinary shares	197,390,385
Descriptions on the related relationship or parties acting-in-concert among the aforesaid shareholders	Central Huijin Investment Ltd. holds the entire equity interest in China Jianyin Investment Limited, the entire equity interest in Central Huijin Asset Management Ltd. and 63.16% of equity interest in China Everbright Group Ltd.		
Description on any of the top ten ordinary shareholders participating in the margin financing and securities lending business (if any)	Nil		

Notes: 1. Among the H shareholders of the Company, HKSCC Nominees Limited holds the H shares on behalf of the non-registered shareholders;

2. In the above table, the shares held by HKSCC Nominees Limited are overseas listed foreign shares (H shares) and shares held by other shareholders are RMB-denominated ordinary shares (A shares).

Section III Significant Events

I. Changes of major financial information, financial indicators and reasons for changes during the reporting period

Unit: RMB

Items	As at the end of the reporting period	As at the end of last year	Increase/ (decrease) (%)	Reason for changes
Clearing settlement funds	17,028,892,609.28	11,940,567,051.79	42.61	Increase in clearing settlement funds of brokerage clients
Margin accounts receivable	78,986,574,647.78	53,048,414,310.76	48.90	Increase in trading volume in the market, and increase in margin financing and securities lending business
Derivative financial assets	1,330,751,456.42	481,834,515.15	176.18	Mainly due to increase in the size of investment in options
Refundable deposits	14,843,576,822.85	8,878,240,894.20	67.19	Increase in trading volume in the market, and increase in settlement funds
Accounts receivable	5,220,435,211.81	1,968,152,225.90	165.25	Mainly due to increase in accounts receivable from asset management business and from securities settlement
Financial assets held under resale agreements	24,151,339,697.49	39,250,938,691.72	(38.47)	Decrease in stock-backed financial assets held under resale agreements
Debt securities at fair value through other comprehensive income	62,626,444,641.45	44,029,179,919.64	42.24	Mainly due to increase in the scale of investment in bond
Short-term borrowings	11,642,338,912.44	1,160,306,944.00	903.38	Increase in the size of guaranteed borrowings
Short-term debt instruments issued	35,742,993,606.15	17,065,153,234.14	109.45	Increase in the financing size of short-term structured notes
Placements from banks and other financial institutions	4,689,053,665.89	10,951,073,811.81	(57.18)	Maturity of the contracts in relation to placements from banks and other financial institutions
Financial liabilities at fair value through profit or loss	4,661,997,660.00	384,169,663.92	1,113.53	Mainly due to the increase in the size of bond lending business

Items	As at the end of the reporting period	As at the end of last year	Increase/ (decrease) (%)	Reason for changes
Derivative financial liabilities	1,437,385,284.82	614,656,089.37	133.85	Mainly due to the increase in put option business
Tax liabilities	633,994,997.96	1,363,800,780.49	(53.51)	Decrease in the payable corporate income tax and value added tax
Accounts payable	7,003,272,570.08	2,343,558,732.05	198.83	Increase in deposit payables
Long-term borrowings	—	301,426,849.32	(100.00)	Repayment of borrowings upon maturity
Other comprehensive income	(887,542,994.87)	(331,514,614.48)	N/A	Changes in fair value of equity securities not held for trading and fair value of debt securities at fair value through other comprehensive income
Items	**The reporting period**	**Corresponding period of last year**	**Increase/ (decrease) (%)**	**Reason for changes**
Net fee income from the securities brokerage business	4,231,795,882.37	2,972,534,845.75	42.36	Increase in trading volume in the market and income from brokerage business
Other revenue	221,734,387.52	42,198,967.85	425.45	Mainly due to the increase in government grants
Gains from changes in fair value	1,010,167,870.47	381,129,528.15	165.05	Mainly due to the increase in fair value of derivative instruments
Other business income	7,081,386,109.95	4,939,644,396.78	43.36	Increase in income from commodity sales of subsidiaries
Provision for/ (reversal of) other impairment losses	35,036,712.27	(25,167,438.67)	N/A	Due to the provision for falling price of inventories by subsidiaries. The matter hedged against gains from futures and did not incur actual losses
Other business costs	6,904,377,383.62	4,829,240,582.54	42.97	Increase in commodity sales costs of subsidiaries

II. Analysis on and description of the progress of significant events and their effects and solutions

(I) Provision of guarantee for a subsidiary

On February 26, 2019, the 38th meeting of the fourth session of the board of directors considered and approved the Proposal Regarding the Provision of Guarantee for Hongyuan Hengli (Shanghai) Industrial Co., Ltd. (關於為宏源恒利（上海）實業有限公司提供擔保的議案), pursuant to which, the Company was permitted to provide guarantee for the external financing of its wholly-owned subsidiary Hongyuan Hengli (Shanghai) Industrial Co., Ltd. ("**Hongyuan Hengli**") subject to the maximum amount of RMB1.0 billion within two years commencing from the date when the proposal was approved at the shareholders' general meeting. Besides, the management of the Company was authorized to determine the specific implementation and handle related matters such as proceeding execution of the relevant legal documents in connection with the guarantee based on the application from Hongyuan Hengli and its major business operation. This transaction has been considered and approved at the 2018 annual shareholders' general meeting of the Company.

According to resolutions of the board of directors and the shareholders' general meeting of the Company, on August 20, 2019, the Company entered into the Maximum Guarantee Contract with China Minsheng Banking Co., Ltd. Shanghai Branch for the comprehensive credit granting business of Hongyuan Hengli, to provide irrevocable joint liability guarantee of RMB100 million for Hongyuan Hengli. On November 25, 2019, the Company and Ping An Bank Co., Ltd. Shanghai Branch entered into the Maximum Guarantee Contract for comprehensive credit granting business of Hongyuan Hengli, to provide irrevocable joint liability guarantee of RMB100 million for Hongyuan Hengli. On May 11, 2020, the Company entered into the Guarantee Contract with Bank of Communications Co., Ltd. Shanghai Putuo Sub-branch for the comprehensive credit granting business of Hongyuan Hengli, to provide irrevocable joint liability guarantee of RMB100 million for Hongyuan Hengli. On May 13, 2020, the Company entered into the Maximum Guarantee Contract with Bank of Shanghai Co., Ltd. Luwan Sub-branch for the comprehensive credit granting business of Hongyuan Hengli, to provide irrevocable joint liability guarantee of RMB120 million for Hongyuan Hengli. On May 19, 2020, the Company entered into the Maximum Principal Guarantee Contract with Shanghai Second Sub-branch of China Construction Bank Corporation for the comprehensive credit granting business of Hongyuan Hengli, to provide irrevocable joint liability guarantee of RMB100 million for Hongyuan Hengli. On August 4, 2020, the Company entered into the Maximum Guarantee Contract with China Everbright Bank Shanghai Branch for the comprehensive credit granting business of Hongyuan Hengli, to provide irrevocable joint liability guarantee of RMB100 million for Hongyuan Hengli. On September 10, 2020, the Company entered into the Maximum Guarantee Contract with Industrial Bank Co., Ltd. Shanghai Hongkou Sub-branch for the comprehensive credit granting business of Hongyuan Hengli, to provide irrevocable joint liability guarantee of RMB100 million for Hongyuan Hengli. On September 24, 2020, the Company entered into the Maximum Guarantee Contract with China CITIC Bank Corporation Limited Shanghai Branch for the comprehensive credit granting business of Hongyuan Hengli, to provide irrevocable joint liability guarantee of RMB100 million for Hongyuan Hengli. (For details, please refer to the announcements published by the Company on China Securities Journal, Securities Times, Shanghai Securities News and the Cninfo website (www.cninfo.com.cn) on August 22, and November 27, 2019 and May 12, May 13, May 21, August 6, September 15, and September 29, 2020 and on the website of HKExnews (www.hkexnews.hk) on August 21, and November 26, 2019 and May 11, May 12, May 20, August 5, September 14, and September 28, 2020)

(II) Nomination of a candidate for independent non-executive director

On September 28, 2020, the Resolution Regarding the Nomination of a Candidate for Independent Non-executive Director was considered and approved at the 54th meeting of the fourth session of the board of directors of the Company, pursuant to which Ms. Yeung Siuman Shirley was nominated as a candidate for independent non-executive director of the fourth session of the board of directors of the Company, and it was proposed to consider the election at the shareholders' general meeting of the Company. (For details, please refer to the announcements published by the Company on China Securities Journal, Securities Times, Shanghai Securities News and the Cninfo website (www.cninfo.com.cn) on September 29, and October 14, 2020 and on the website of HKExnews (www.hkexnews.hk) on September 28, and October 13, 2020)

III. Undertakings

(I) There was no undertaking that exceeded the time limit and unaccomplished by the actual controller, shareholders, related parties, acquirers and the Company and other related parties during the reporting period.

(II) Undertakings accomplished by relevant shareholders

On July 31, 2020, 1,093,111 A shares subject to selling restrictions which were held by one shareholder of the Company were unlocked in circulation. The total number of shares which were released from selling restrictions represented 0.0049% of the total number of A shares of the Company.

Shareholders who applied for the release of share selling restrictions have strictly performed relevant undertaking. For details, please refer to the announcements published by the Company on China Securities Journal, Securities Times, Shanghai Securities News and the Cninfo website (www.cninfo.com.cn) on July 29, 2020 and on the website of HKExnews (www.hkexnews.hk) on July 28, 2020.

IV. Investments in Financial Assets

(I) Investments in securities

Unit: RMB'0,000

Security type	Security code	Security abbreviation	Initial investment cost	Accounting measurement model	Beginning book value	Gains or losses from changes in fair value during the period	Accumulated fair value changes included in equity	Amount purchased during the reporting period	Amount sold during the reporting period	Profit and loss during the reporting period	Closing book value	Accounting item	Sources of funds
Wealth management account	HH0001	Income Swap Product No. 1	639,000.00	Fair value	655,273.59	–	2,298.40	–	–	–	657,571.99	Financial assets at fair value through other comprehensive income	Self-owned funds
Bonds	117125	19 Zhaoshang EB	239,000.00	Fair value	257,407.86	(11,243.47)	–	–	–	(11,132.16)	246,134.27	Financial assets at fair value through profit or loss	Self-owned funds
Asset management scheme	113914	Rongtong Fund Shenwan Hongyuan Securities No. 1 Collective Asset Management Scheme	231,000.00	Fair value	–	1,125.32	–	231,000.00	–	1,125.32	232,125.32	Financial assets at fair value through profit or loss	Self-owned funds
Bonds	2028025	20 SPDB Level II 01	196,346.00	Fair value	–	42.20	–	196,346.00	–	190.72	196,388.20	Financial assets at fair value through profit or loss	Self-owned funds
Bonds	2028024	20 CITIC Bank Level II	196,255.00	Fair value	–	(140.40)	–	196,255.00	–	50.39	196,114.60	Financial assets at fair value through profit or loss	Self-owned funds
Bonds	010007	01 Treasury Bonds 7	184,551.77	Fair value	184,679.52	(1,672.69)	–	66,587.01	105,309.09	4,201.11	142,227.93	Financial assets at fair value through profit or loss	Self-owned funds

Security type	Security code	Security abbreviation	Initial investment cost	Accounting measurement model	Beginning book value	Gains or losses from changes in fair value during the period	Accumulated fair value changes included in equity	Amount purchased during the reporting period	Amount sold during the reporting period	Profit and loss during the reporting period	Closing book value	Accounting item	Sources of funds
Asset management scheme	E1ZX01	Caida Yanshan Zhixuan No. FOF1 Single Asset Management Scheme	105,846.04	Fair value	–	4,100.46	–	126,339.00	20,492.96	4,802.35	109,946.50	Financial assets at fair value through profit or loss	Self-owned funds
Bonds	1805101	18 Shandong Bonds 07	102,499.00	Fair value	104,584.80	(751.90)	–	–	–	1,204.23	102,890.60	Financial assets at fair value through profit or loss	Self-owned funds
Private equity fund	N/A	Sichuan Capital Market Bailout Development Securities Investment Fund Partnership (Limited Partnership)	100,000.00	Fair value	100,000.00	600.00	–	–	–	–	100,600.00	Financial assets at fair value through profit or loss	Self-owned funds
Bonds	202701	20 Huijin 01	100,132.14	Fair value	–	–	(252.80)	100,132.14	–	(120.66)	99,879.34	Debt securities at fair value through other comprehensive income	Self-owned funds
Other securities investments held at the end of the period			16,852,982.99	–	16,299,601.57	44,873.46	52,655.44	142,818,530.22	138,519,086.12	700,035.34	20,699,603.81	–	–
Total			18,947,612.94	–	17,601,547.34	36,932.98	54,701.04	143,735,189.36	138,644,888.16	700,356.64	22,783,482.56	–	–

(II) Investments in derivatives

1. Investments in derivatives

Risk analysis and description of control measures on derivative positions during the reporting period (including but not limited to market risks, liquidity risks, credit risks, operation risks and legal risks)	The subsidiaries of the Company have relevant business qualifications. Proprietary business on derivative products mainly involves in proprietary businesses such as arbitrage, hedging and speculation of stock index futures and treasury bond futures and broker OTC business. During the reporting period, the investment business in derivative products undertaken by the subsidiaries of the Company fully complied with the requirements on operation of China Securities Regulatory Commission, the Securities Association of China and China Financial Futures Exchange Co., Ltd. The Company has not breached any law or regulation during operation and the risks are under control. In order to ensure standardized operation of the proprietary business on derivatives and avoid business risks, the subsidiaries of the Company adopted rules and regulations such as relevant business administration measures as standards, followed business plans and commenced the business on the basis of analyzing and controlling of market risks, liquidity risks, credit risks, operation risks and legal risks.
The changes of market price of derivatives invested or the fair value of products during the reporting period. Specific usage and settings of relevant assumptions and parameters of the analysis on the fair value of derivatives shall be disclosed	As of the end of the reporting period, the net unrealized gain on the fair value of unmatured treasury bond futures contracts held by the Group for non-hedging purposes was RMB1.3767 million; the net unrealized gain on the fair value of interest rate swap contracts was RMB56.3915 million; the net unrealized gain on the fair value of income swap contracts was RMB596.8308 million; the net unrealized loss on the fair value of stock index futures contracts was RMB170.5374 million; the net unrealized loss on the fair value of precious metal futures contracts was RMB183.1916 million; the net unrealized loss on the fair value of commodity futures contracts was RMB31.8538 million; the net unrealized loss on the fair value of other income option contracts was RMB372.8169 million. Derivative financial instruments were initially recognized at fair value as at the execution date of derivatives transaction contract and subsequently measured at its fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value change of derivative financial instruments was directly credited into profit or loss. The fair value of ordinary derivative financial instruments was measured based on the valuation method generally adopted in the market. Observable data was mostly taken as the data of valuation models. The fair value of the complex structured derivative financial instruments was mainly sourced from quotations of dealers.

Description on whether the accounting policies and principles of audit on derivatives of the Company have any significant changes when compared with the previous reporting period	There was no change in the policies on derivatives and quotations were directly obtained from the market.
Independent directors' opinions on the Company's derivative investment and risk control	The subsidiaries of the Company have obtained relevant business qualifications and are eligible to commence relevant businesses. During the reporting period, the business of investment in derivative products conducted by the subsidiaries of the Company was in compliance with the requirements and regulations on operation of China Securities Regulatory Commission, the Securities Association of China and China Financial Futures Exchange Co., Ltd. As of the end of the reporting period, the amount of interest derivative instrument contract held was RMB116,629.1726 million, representing 131.17% of the net assets of the Group as at the end of the reporting period; the amount of equity derivative instrument contract held was RMB63,710.6425 million, representing 71.66% of the net assets of the Group as at the end of the reporting period; the amount of commodity derivative instrument contract held was RMB112,993.2718 million, representing 127.08% of the net assets of the Group as at the end of the reporting period. The business of derivative investment conducted by the subsidiaries of the Company was in compliance with relevant regulatory requirements and the risks were under control. Such businesses are not detrimental to the interests of the Company and its shareholders as a whole.

2. Positions of derivative investment as at the end of the reporting period

Unit: RMB'0,000

Operator of derivative investment	Related party relationship	Related party transaction	Type of derivative investment	Initial investment amount of derivative investment	Commencement date	Termination date	Investment amount at the beginning of period	Amount purchased during the reporting period	Amount sold during the reporting period	Amount of provision for impairment	Investment amount at the end of period	Proportion of investment at the end of period to net assets of the Company during the period	Actual profit or losses during the reporting period
Open market	N/A	No	Interest rate derivative instrument	8,596,474.85	2016/4/19	2023/6/29	8,596,474.85	31,497,380.08	28,430,937.67	–	11,662,917.26	131.17%	(4,912.06)
Banks, private equity funds, open market	N/A	No	Equity derivative instruments	8,192,353.48	2019/2/20	2021/9/15	8,192,353.48	8,351,901.12	10,173,190.35	–	6,371,064.25	71.66%	93,077.53
Open market, banks, trading companies, etc.	N/A	No	Commodity derivative instruments	1,086,614.79	2019/7/16	2021/9/17	1,086,614.79	16,097,505.10	5,884,792.71	–	11,299,327.18	127.08%	(35,699.88)
Total:				**17,875,443.12**	**–**	**–**	**17,875,443.12**	**55,946,786.30**	**44,488,920.73**	**–**	**29,333,308.69**	**329.91%**	**52,465.59**

V. Progress of Proceeds Funded Projects

□ Applicable ✓Not applicable

VI. Estimation on the Annual Operating Results of 2020

Currently, Shenwan Hongyuan Group Co., Ltd. conducts its securities business through its subsidiary Shenwan Hongyuan Securities Co., Ltd. and the subsidiaries thereof Shenwan Hongyuan Securities (Western) Co., Ltd. and Shenwan Hongyuan Financing Services Co., Ltd. Since the securities business is to a larger extent affected by the market, it is therefore not possible to conduct an accurate estimation on the operating results of 2020 of the Company. The Company will disclose such results pursuant to the regulations upon the completion of the year of 2020.

VII. Material Contracts Entered into in the Ordinary Course of Business

□ Applicable ✓Not applicable

VIII. Entrusted Wealth Management

□ Applicable ✓Not applicable

IX. Information on Illegal External Guarantees

□ Applicable ✓Not applicable

X. Information on the non-operating use of funds of the Company by the controlling shareholder and its related parties

□ Applicable ✓Not applicable

XI. Reception of activities such as research, communication and interview during the reporting period

Reception time	Reception location	Reception method	Type of reception participants	Reception participants	Main content discussed and information provided
July 27, 2020	—	Telephone	Institution	Ten Asset Management Limited	Operations of the Company
September 1, 2020	—	Telephone/ Network	Institution	Persons presented at the Company's 2020 interim meeting of analysts and investors	Operations of the Company
September 15, 2020	—	Telephone	Institution	HSBC Qianhai Securities Limited	Operations of the Company
September 15, 2020	Company's meeting room	Field research	Institution	Guotai Junan Securities Co., Ltd.	Operations of the Company
September 30, 2020	—	Telephone	Institution	Millennium Goldman Sachs	Operations of the Company

Note: The records of investor relationship activities for the reception of above investors by the Company have been disclosed on the website of Shenzhen Stock Exchange (www.szse.cn) and the Cninfo website (www.cninfo.com.cn).

Section IV Financial Statements

I. Financial Statements

1. Consolidated and the Company's statements of financial position

Statements of financial position

Prepared by: Shenwan Hongyuan Group Co., Ltd. Unit: RMB

	The Group		The Company	
	September 30, 2020	December 31, 2019	**September 30, 2020**	December 31, 2019
Assets:				
Cash and bank balances	**94,032,558,392.74**	87,543,772,815.53	**1,692,310,551.03**	7,315,184,032.99
including: Cash held on behalf of brokerage clients	**70,602,106,049.25**	62,487,606,147.11	**—**	—
Clearing settlement funds	**17,028,892,609.28**	11,940,567,051.79	**—**	—
including: Cash held on behalf of brokerage clients	**12,028,241,826.69**	8,709,706,176.30	**—**	—
Margin accounts receivable	**78,986,574,647.78**	53,048,414,310.76	**—**	—
Derivative financial assets	**1,330,751,456.42**	481,834,515.15	**—**	—
Refundable deposits	**14,843,576,822.85**	8,878,240,894.20	**—**	—
Accounts receivable	**5,220,435,211.81**	1,968,152,225.90	**—**	—
Financial assets held under resale agreements	**24,151,339,697.49**	39,250,938,691.72	**30,300,000.00**	—
Financial investment:				
Financial assets at fair value through profit or loss	**148,846,052,293.43**	115,228,227,062.80	**12,972,712,303.36**	7,662,095,247.78
Financial assets measured at amortized cost	**7,332,317,689.94**	7,312,724,764.82	**2,819,718,147.47**	3,697,299,283.24
Debt securities at fair value through other comprehensive income	**62,626,444,641.45**	44,029,179,919.64	**—**	—
Equity securities not held for trading	**9,030,010,935.10**	9,445,341,611.23	**—**	—
Interest in subsidiaries and associates and joint ventures	**2,906,918,695.71**	2,489,250,220.61	**56,574,549,784.14**	56,541,176,360.21
Investment properties	**58,072,858.63**	99,724,140.11	**151,503,934.70**	157,074,105.49
Property and equipment	**1,149,836,078.04**	1,135,225,103.78	**341,371,605.20**	353,660,635.30
Construction in progress	**157,066,439.63**	144,165,661.76	**—**	—
Right-of-use assets	**787,953,265.72**	793,824,530.82	**—**	—
Intangible assets	**135,609,847.75**	143,715,460.10	**1,400,242.61**	1,738,709.10
Deferred tax assets	**1,799,179,584.33**	1,833,394,995.29	**96,879,300.03**	62,660,516.14
Other assets	**2,419,958,473.22**	2,770,570,619.60	**9,131,169,742.36**	8,892,187,445.81
Total assets	**472,843,549,641.32**	388,537,264,595.61	**83,811,915,610.90**	84,683,076,336.06
Liabilities:				
Short-term borrowings	**11,642,338,912.44**	1,160,306,944.00	**—**	—
Short-term debt instruments issued	**35,742,993,606.15**	17,065,153,234.14	**—**	—
Placements from banks and other financial institutions	**4,689,053,665.89**	10,951,073,811.81	**—**	—
Financial liabilities at fair value through profit or loss	**4,661,997,660.00**	384,169,663.92	**—**	—
Derivative financial liabilities	**1,437,385,284.82**	614,656,089.37	**—**	—
Financial assets sold under repurchase agreements	**95,603,844,049.72**	83,943,833,548.85	**—**	506,927,083.33
Accounts payable to brokerage clients	**92,634,517,039.27**	77,053,334,922.59	**—**	—
Employee benefits payable	**4,094,711,436.60**	3,676,788,139.02	**111,295,297.54**	123,499,862.30
Tax liabilities	**633,994,997.96**	1,363,800,780.49	**2,430,350.64**	71,843,635.37
Accounts payable	**7,003,272,570.08**	2,343,558,732.05	**1,933,177.32**	22,055,761.11
Long-term borrowings	**—**	301,426,849.32	**—**	301,426,849.32
Long-term bonds	**112,746,883,437.37**	91,735,203,239.89	**24,921,855,910.63**	24,933,639,980.58
Lease liabilities	**750,485,935.94**	779,730,323.96	**—**	—
Deferred tax liabilities	**2,967,868.03**	2,557,994.93	**—**	—
Contract liabilities	**155,847,224.85**	115,368,567.04	**—**	—
Other liabilities	**12,131,359,899.93**	12,214,894,860.61	**13,063,463.18**	1,932,077.80
Total liabilities	**383,931,653,589.05**	303,705,857,701.99	**25,050,578,199.31**	25,961,325,249.81
Shareholders' equity:				
Share capital	**25,039,944,560.00**	25,039,944,560.00	**25,039,944,560.00**	25,039,944,560.00
Capital reserve	**19,367,146,136.46**	19,367,146,136.46	**23,811,448,219.46**	23,811,448,219.46
Other comprehensive income	**(887,542,994.87)**	(331,514,614.48)	**—**	—
Surplus reserve	**3,390,426,172.88**	3,390,426,172.88	**2,799,954,570.45**	2,799,954,570.45
General reserve	**12,318,546,576.40**	12,276,012,428.59	**3,849,860,528.88**	3,849,860,528.88
Retained profits	**28,042,662,952.03**	23,464,175,130.39	**3,260,129,532.80**	3,220,543,207.46
Total equity attributable to shareholders of the Company	**87,271,183,402.90**	83,206,189,813.84	**58,761,337,411.59**	58,721,751,086.25
Non-controlling interests	**1,640,712,649.37**	1,625,217,079.78	**—**	—
Total shareholders' equity	**88,911,896,052.27**	84,831,406,893.62	**58,761,337,411.59**	58,721,751,086.25
Total liabilities and shareholders' equity	**472,843,549,641.32**	388,537,264,595.61	**83,811,915,610.90**	84,683,076,336.06

Legal representative of the Company: Xu Zhibin

Person in charge of the accounting affairs of the Company: Yang Changyun

Person in charge of the accounting department: Zhang Yan

2. Consolidated and the Company's statements of profit or loss for the period from the beginning of the year to the end of the reporting period

Statements of profit or loss

Prepared by: Shenwan Hongyuan Group Co., Ltd. Unit: RMB

	The Group		The Company	
	January–September 2020	January–September 2019	**January–September 2020**	January–September 2019
I. Total operating income	**21,479,366,117.56**	16,421,904,024.88	**2,125,415,851.00**	2,551,495,435.04
Net income from fee and commission	**6,047,373,007.20**	4,633,288,181.14	**50,400.62**	6,665,094.36
Including: Net income from brokerage business	**4,231,795,882.37**	2,972,534,845.75	**—**	—
Net income from underwriting and sponsorship business	**893,885,301.34**	698,690,610.96	**—**	—
Net income from asset management and fund management business	**901,414,312.03**	810,001,958.56	**—**	—
Net interest income/(expenses)	**2,778,165,241.75**	2,242,665,028.32	**(271,776,884.46)**	(16,866,323.81)
Including: Interest income	**8,834,916,710.84**	8,078,199,053.65	**495,323,691.26**	636,458,682.95
Interest expenses	**6,056,751,469.09**	5,835,534,025.33	**767,100,575.72**	653,325,006.76
Investment income	**4,366,906,785.55**	3,958,012,644.78	**2,327,243,275.18**	2,303,704,618.63
Including: Investment income in associates and joint ventures	**339,941,869.38**	173,687,211.43	**9,373,423.93**	12,586,017.80
Other revenue	**221,734,387.52**	42,198,967.85	**1,949,596.29**	600,000.00
Gains or losses from changes in fair value	**1,010,167,870.47**	381,129,528.15	**60,274,648.62**	(20,864,886.76)
Foreign exchange gains or losses	**(31,078,254.46)**	224,960,331.37	**(28,155,325.09)**	216,940,427.46
Other business income	**7,081,386,109.95**	4,939,644,396.78	**35,830,139.84**	61,316,505.16
Gains from asset disposals	**4,710,969.58**	4,946.49	**—**	—
II. Total operating expenses	**13,446,245,233.80**	10,566,989,256.03	**100,185,093.54**	160,263,571.91
Tax and surcharges	**113,637,119.27**	98,858,457.89	**8,140,627.94**	10,232,803.15
Staff cost, general and administrative expenses	**5,988,507,906.92**	5,350,702,880.83	**100,706,708.27**	141,212,035.41
Provision for/(reversal of) credit impairment	**404,686,111.72**	313,354,773.44	**(14,232,413.46)**	(571,171.67)
Provision for/(reversal of) other assets impairment	**35,036,712.27**	(25,167,438.67)	**—**	—
Other business costs	**6,904,377,383.62**	4,829,240,582.54	**5,570,170.79**	9,389,905.02
III. Operating profit	**8,033,120,883.76**	5,854,914,768.85	**2,025,230,757.46**	2,391,231,863.13
Add: Non-operating income	**2,715,305.07**	4,546,811.43	**1,356.89**	22,753.86
Less: Non-operating expenses	**39,292,307.11**	21,864,335.60	**2,745,000.00**	4,060.63
IV. Total profit	**7,996,543,881.72**	5,837,597,244.68	**2,022,487,114.35**	2,391,250,556.36
Less: Income tax expense	**1,392,904,460.42**	1,035,883,906.66	**(20,294,775.79)**	52,298,836.10
V. Net profit	**6,603,639,421.30**	4,801,713,338.02	**2,042,781,890.14**	2,338,951,720.26
(I) Net profit classified by continuity of operations				
1. Net profit from continuing operations	**6,603,639,421.30**	4,801,713,338.02	**2,042,781,890.14**	2,338,951,720.26
2. Net profit from discontinued operations	**—**	—	**—**	—
(II) Net profit classified by ownership				
1. Shareholders of the Company	**6,529,091,469.44**	4,756,648,129.54	**2,042,781,890.14**	2,338,951,720.26
2. Non-controlling interests	**74,547,951.86**	45,065,208.48	**—**	—
VI. Other comprehensive income, net of tax	**(490,087,967.36)**	1,171,413,559.90	**—**	—
Other comprehensive income (net of tax) attributable to shareholders of the Company	**(461,382,812.58)**	1,141,697,120.16	**—**	—
(I) Items that will not be reclassified to profit or loss	**23,396,078.17**	992,176,536.03	**—**	—
1. Changes in fair value of equity securities not held for trading	**23,396,078.17**	992,176,536.03	**—**	—
(II) Items that may be reclassified to profit or loss	**(484,778,890.75)**	149,520,584.13	**—**	—
1. Other comprehensive income that can be transferred to profit or loss under the equity method	**(8,977,932.65)**	7,358,094.51	**—**	—
2. Changes in fair value of debt securities at fair value through other comprehensive income	**(433,653,843.27)**	(8,175,294.83)	**—**	—
3. Credit impairment provisions of debt securities at fair value through other comprehensive income	**11,161,850.09**	71,159,274.30	**—**	—
4. Exchange differences on translation of financial statements in foreign currencies	**(53,308,964.92)**	79,178,510.15	**—**	—
Other comprehensive income (net of tax) attributable to non-controlling interests	**(28,705,154.78)**	29,716,439.74	**—**	—
VII. Total comprehensive income	**6,113,551,453.94**	5,973,126,897.92	**2,042,781,890.14**	2,338,951,720.26
Attributable to: Shareholders of the Company	**6,067,708,656.86**	5,898,345,249.70	**2,042,781,890.14**	2,338,951,720.26
Non-controlling interests	**45,842,797.08**	74,781,648.22	**—**	—
VIII. Earnings per share:				
(I) Basic earnings per share	**0.26**	0.20		
(II) Diluted earnings per share	**0.26**	0.20		

Legal representative of the Company: Xu Zhibin

Person in charge of the accounting affairs of the Company: Yang Changyun

Person in charge of the accounting department: Zhang Yan

3. Consolidated and the Company's statements of profit or loss for the reporting period

Statements of profit or loss

Prepared by: Shenwan Hongyuan Group Co., Ltd. Unit: RMB

	The Group		The Company	
	July–September 2020	July–September 2019	**July–September 2020**	July–September 2019
I. Total operating income	**8,092,953,683.97**	5,937,447,463.45	**(69,284,592.17)**	173,793,468.51
Net income from fee and commission	**2,569,223,916.06**	1,294,345,810.31	**46,368.57**	—
Including: Net income from brokerage business	**1,745,920,016.28**	843,212,756.43	**—**	—
Net income from underwriting and sponsorship business	**489,384,941.07**	161,059,347.20	**—**	—
Net income from asset management and fund management business	**337,227,766.78**	262,618,422.95	**—**	—
Net interest income/(expenses)	**911,000,367.09**	841,612,364.67	**(109,553,457.53)**	2,893,102.54
Including: Interest income	**3,168,013,734.80**	2,759,039,863.81	**143,187,273.47**	223,875,445.58
Interest expenses	**2,257,013,367.71**	1,917,427,499.14	**252,740,731.00**	220,982,343.04
Investment income	**1,364,571,320.02**	1,167,501,386.74	**70,390,399.77**	101,761,733.86
Including: Investment income in associates and joint ventures	**146,952,097.80**	63,693,421.99	**2,203,943.79**	1,278,307.13
Other revenue	**11,764,569.53**	13,432,567.32	**1,665,926.44**	200,000.00
Gains from changes in fair value	**530,171,712.28**	199,297,183.57	**18,346,342.49**	9,358,179.02
Foreign exchange gains or losses	**(59,871,636.33)**	52,369,704.56	**(61,880,204.43)**	40,672,680.52
Other business income	**2,762,360,887.65**	2,368,901,711.23	**11,700,032.52**	18,907,772.57
Gains from asset disposals	**3,732,547.67**	(13,264.95)	**—**	—
II. Total operating expenses	**5,052,975,377.76**	4,097,133,930.98	**22,043,606.08**	47,599,450.40
Tax and surcharges	**40,684,482.40**	26,394,173.61	**609,318.72**	525,455.70
Staff cost, general and administrative expenses	**2,143,748,079.89**	1,715,343,520.31	**33,193,912.02**	45,099,505.87
Provision for/(reversal of) credit impairment	**224,238,637.70**	40,453,494.07	**(13,597,535.60)**	(1,155,479.51)
(Reversal of)/provision for other assets impairment	**(18,078,439.14)**	8,650,367.31	**—**	—
Other business costs	**2,662,382,616.91**	2,306,292,375.68	**1,837,910.94**	3,129,968.34
III. Operating profit	**3,039,978,306.21**	1,840,313,532.47	**(91,328,198.25)**	126,194,018.11
Add: Non-operating income	**1,457,469.26**	120,261.89	**1,356.89**	20,837.50
Less: Non-operating expenses	**821,966.44**	5,551,459.10	**9,000.00**	—
IV. Total profit	**3,040,613,809.03**	1,834,882,335.26	**(91,335,841.36)**	126,214,855.61
Less: Income tax expense	**517,648,078.57**	265,746,344.78	**(23,356,043.83)**	23,625,866.92
V. Net profit	**2,522,965,730.46**	1,569,135,990.48	**(67,979,797.53)**	102,588,988.69
(I) Net profit classified by continuity of operations				
1. Net profit from continuing operations	**2,522,965,730.46**	1,569,135,990.48	**(67,979,797.53)**	102,588,988.69
2. Net profit from discontinued operations	**—**	—	**—**	—
(II) Net profit classified by ownership				
1. Shareholders of the Company	**2,494,324,264.95**	1,555,127,186.97	**(67,979,797.53)**	102,588,988.69
2. Non-controlling interests	**28,641,465.51**	14,008,803.51	**—**	—
VI. Other comprehensive income, net of tax	**96,658,425.40**	(1,577,359.04)	**—**	—
Other comprehensive income (net of tax) attributable to shareholders of the Company	**142,782,654.78**	(30,835,991.94)	**—**	—
(I) Items that will not be reclassified to profit or loss	**341,299,669.34**	(146,737,989.67)	**—**	—
1. Changes in fair value of equity securities not held for trading	**341,299,669.34**	(146,737,989.67)	**—**	—
(II) Items that may be reclassified to profit or loss	**(198,517,014.56)**	115,901,997.73	**—**	—
1. Other comprehensive income that can be transferred to profit or loss under the equity method	**(1,701,300.58)**	2,186,829.92	**—**	—
2. Changes in fair value of debt securities at fair value through other comprehensive income	**(87,942,908.86)**	17,700,849.03	**—**	—
3. Credit impairment provisions of debt securities at fair value through other comprehensive income	**(1,613,621.94)**	30,966,885.13	**—**	—
4. Exchange differences on translation of financial statements in foreign currencies	**(107,259,183.18)**	65,047,433.65	**—**	—
Other comprehensive income (net of tax) attributable to non-controlling interests	**(46,124,229.38)**	29,258,632.90	**—**	—
VII. Total comprehensive income	**2,619,624,155.86**	1,567,558,631.44	**(67,979,797.53)**	102,588,988.69
Attributable to: Shareholders of the Company	**2,637,106,919.73**	1,524,291,195.03	**(67,979,797.53)**	102,588,988.69
Non-controlling interests	**(17,482,763.87)**	43,267,436.41	**—**	—
VIII. Earnings per share:				
(I) Basic earnings per share	**0.10**	0.06		
(II) Diluted earnings per share	**0.10**	0.06		

Legal representative of the Company: Xu Zhibin	Person in charge of the accounting affairs of the Company: Yang Changyun	Person in charge of the accounting department: Zhang Yan

4. Consolidated and the Company's statements of cashflow for the period from the beginning of the year to the end of the reporting period

Statements of Cashflow

Prepared by: Shenwan Hongyuan Group Co., Ltd. Unit: RMB

	The Group		The Company	
	January–September 2020	January–September 2019	**January–September 2020**	January–September 2019
I. Cashflow from operating activities:				
Proceeds from interest income, fee and commission income	**13,599,150,871.15**	12,380,838,036.53	**97,077,753.70**	315,041,585.18
Increase in repurchases businesses	**40,106,497,757.93**	8,036,383,983.58	**—**	—
Net cash received from agency securities trading business	**11,430,266,271.52**	9,858,445,518.30	**—**	—
Proceeds from other operating activities	**5,398,339,525.78**	3,422,272,135.72	**100,720,387.20**	33,386,309.86
Sub-total of cash inflow from operating activities	**70,534,254,426.38**	33,697,939,674.13	**197,798,140.90**	348,427,895.04
Increase in financial instruments at fair value through profit or loss	**44,411,035,251.85**	13,784,531,119.55	**5,080,282,614.22**	6,074,984.86
Decrease in placements from other financial institutions	**6,272,794,839.94**	3,351,696,861.65	**—**	—
Decrease in repurchases businesses	**—**	—	**530,300,000.00**	—
Increase in margin accounts receivable	**27,495,632,300.96**	7,633,566,032.80	**—**	—
Payment for interest expenses, fee and commission expenses	**3,874,482,314.09**	3,715,411,991.25	**14,685,416.67**	25,283,854.16
Payment of employee benefits	**4,193,805,592.49**	3,504,225,936.73	**90,803,964.20**	109,473,925.94
Payment of various taxes	**3,013,102,668.56**	2,868,889,917.21	**137,081,440.66**	290,854,966.28
Payment for other operating activities	**4,262,916,731.77**	2,852,599,563.69	**20,017,154.57**	243,011,293.79
Sub-total of cash outflow from operating activities	**93,523,769,699.66**	37,710,921,422.88	**5,873,170,590.32**	674,699,025.03
Net cash generated from operating activities	**(22,989,515,273.28)**	(4,012,981,748.75)	**(5,675,372,449.42)**	(326,271,129.99)
II. Cashflow from investing activities:				
Proceeds from disposal of investments	**—**	—	**557,401,873.58**	—
Investment returns received	**2,097,694,367.82**	2,289,273,877.04	**2,593,615,085.25**	2,496,476,212.98
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**76,621,765.97**	10,645,531.52	**—**	—
Proceeds from other investing activities	**53,424.65**	—	**53,424.65**	—
Sub-total of cash inflow from investing activities	**2,174,369,558.44**	2,299,919,408.56	**3,151,070,383.48**	2,496,476,212.98
Payment for acquisition of investments	**16,931,107,490.29**	9,304,932,801.00	**—**	3,593,683,278.71
Payment for acquisition of fixed assets, intangible assets and other long-term assets	**231,669,717.21**	141,012,924.79	**804,603.33**	4,317,466.82
Sub-total of cash outflow from investing activities	**17,162,777,207.50**	9,445,945,725.79	**804,603.33**	3,598,000,745.53
Net cash generated from investing activities	**(14,988,407,649.06)**	(7,146,026,317.23)	**3,150,265,780.15**	(1,101,524,532.55)
III. Cashflow from financing activities:				
Capital injection from issuance of ordinary shares	**—**	7,803,131,579.31	**—**	7,798,231,579.31
Including: proceeds of subsidiaries from investment by non-controlling interests	**—**	4,900,000.00	**—**	—
Proceeds from loans and borrowings	**10,511,847,665.08**	156,275,448.00	**—**	—
Proceeds from issuance of bonds and debt instruments	**112,980,158,861.29**	57,193,915,000.00	**—**	4,194,960,000.00
Sub-total of cash inflow from financing activities	**123,492,006,526.37**	65,153,322,027.31	**—**	11,993,191,579.31
Loans, bonds and debt instruments repaid	**73,266,869,140.41**	54,572,093,939.55	**300,000,000.00**	4,980,300,000.00
Dividends and interest for loans, bonds and debt instruments paid	**5,976,904,546.04**	4,395,526,995.14	**2,749,737,593.25**	1,893,544,217.02
Including: dividends and profit paid to non-controlling interests	**19,195,107.41**	6,755,443.39	**—**	—
Payment for lease liabilities	**332,547,958.69**	260,557,728.21	**—**	—
Payment for other financing activities	**26,290,260.87**	18,923,417.44	**20,410,260.87**	17,963,353.44
Sub-total of cash outflow from financing activities	**79,602,611,906.01**	59,247,102,080.34	**3,070,147,854.12**	6,891,807,570.46
Net cash generated from financing activities	**43,889,394,620.36**	5,906,219,946.97	**(3,070,147,854.12)**	5,101,384,008.85
IV. Effect of foreign exchange differences	**(34,357,547.07)**	233,397,803.39	**(31,438,172.64)**	227,986,724.58

	The Group		The Company	
	January–September 2020	January–September 2019	**January–September 2020**	January–September 2019
V. Net increase in cash and cash equivalents	**5,877,114,150.95**	(5,019,390,315.62)	**(5,626,692,696.03)**	3,901,575,070.89
Add: Cash and cash equivalents at the beginning of the period	**107,590,413,620.82**	97,308,344,181.60	**7,314,239,188.35**	159,170,338.58
VI. Cash and cash equivalents at the end of the period	**113,467,527,771.77**	92,288,953,865.98	**1,687,546,492.32**	4,060,745,409.47

Legal representative of the Company: Xu Zhibin

Person in charge of the accounting affairs of the Company: Yang Changyun

Person in charge of the accounting department: Zhang Yan

II. Explanation on Adjustments to the Financial Statements

1. Adjustment to relevant items in the financial statements at the beginning of the year in which the new standards on revenue and new standards on lease are initially implemented since 2020

   □ Applicable ✓ Not applicable

2. Retrospective adjustments to comparative figures for the previous period due to the initial implementation of the new standards on revenue and new standards on lease since 2020

   □ Applicable ✓ Not applicable

III. Audit Report

Whether the third quarterly report is audited

□ Yes ✓ No

The board of directors
Shenwan Hongyuan Group Co., Ltd.
Chu Xiaoming
Chairman

October 30, 2020