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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2020

The board of directors (the "**Board**") of Shenwan Hongyuan Group Co., Ltd. (the "**Company**") hereby announces the audited results of the Company and its subsidiaries for the year ended December 31, 2020. This results announcement, containing the full text of the 2020 annual report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to the information to accompany preliminary announcement of annual results.

The Company's annual results for the year ended December 31, 2020 have been reviewed by the audit committee of the Board.

This results announcement will be published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Company (www.swhygh.com) respectively.

The 2020 annual report will be dispatched to the H shareholders of the Company and published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited and the website of the Company in due course.

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

Beijing, PRC
30 March 2021

As at the date of this announcement, the Board comprises Mr. Chu Xiaoming and Mr. Yang Wenqing 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. Yeung Siuman Shirley as independent non-executive directors.

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 annual report, and that there are no misstatements, misleading representations or material omission in the contents contained herein, and severally and jointly bear full legal responsibilities thereof.
2. This annual report was considered and approved at the 60th meeting of the fourth session of the Board. 11 directors shall participate in the poll of the meeting and the actual number of directors participated was 11. No directors, supervisors, or senior management of the Company declares the inability to warrant or disagreement with the truthfulness, accuracy and completeness of the content herein.
3. The condensed consolidated financial report for 2020 prepared by the Company in accordance with the International Financial Reporting Standards has been audited by KPMG, the auditor of the Company, which has issued a standard unqualified audit report.
4. Mr. Huang Hao, the legal representative and general manager of the Company, Ms. Ren Quansheng, the chief financial officer of the Company, and Ms. Zhang Yan, the general manager 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 annual report.
5. As considered and approved at the 60th meeting of the fourth session of the Board, the profit distribution proposal of the Company for 2020 is as follows:

    1. Based on the total share capital of 25,039,944,560 A Shares and H Shares of the Company as of December 31, 2020, a cash dividend of RMB1.00 (tax inclusive) for every 10 shares was distributed to all A shareholders and H shareholders whose names appear on the register of members of the Company on the record date, with a total amount of cash dividend of RMB2,503,994,456.00. The retained profits of the Company of RMB271,475,374.34 following the cash dividend distribution will be carried forward to the next year.
    2. Cash dividend is denominated and declared in RMB and paid to A shareholders in RMB and to H shareholders in HKD. The actual distribution amount in HKD was calculated at the rate of average benchmark exchange rate of RMB against HKD published by the People's Bank of China five business days prior to the 2020 annual general meeting of the Company.

    (The proposal is subject to consideration at the general meeting)
6. The forward-looking statements in this annual report, including future plans and development strategies do not constitute substantive commitments of the Company to investors. Investors should be aware of the investment risks.
7. The audit committee of the Board of the Company has reviewed the annual results of the Company for 2020.
8. This annual report of the Company is prepared in both Chinese and English. In the event of any discrepancy, the Chinese version should prevail.
9. The Company did not have any preferred shares or convertible corporate bonds during the Reporting Period.

申萬宏源

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Section I Definitions and Important Notice

I. DEFINITIONS

In this annual report, unless the context otherwise requires, the following terms shall have the following meanings:

Term	Definition
"A Share(s)"	domestic ordinary shares of the Company, with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in RMB
"ABS"	asset-backed securities
"actual controller" or "Central Huijin"	Central Huijin Investment Ltd. (中央匯金投資有限責任公司)
"Articles of Association"	the articles of association of the Company (as amended from time to time)
"Board" or "Board of Directors"	the board of directors of the Company
"Board of Supervisors"	the board of supervisors of the Company
"CG Code"	Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Hong Kong Listing Rules
"ChiNext Board"	the growth enterprise board launched by the Shenzhen Stock Exchange
"Company" or "Shenwan Hongyuan Group"	Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司)
"Company Law"	the Company Law of the People's Republic of China (中華人民共和國公司法)
"controlling shareholder" or "JIC"	China Jianyin Investment Ltd. (中國建銀投資有限責任公司)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"EBITDA"	earnings before interest, taxes, depreciation and amortization
"ETF(s)"	exchange-traded fund(s)
"FICC"	fixed income, currencies and commodities

Term	Definition
"Fullgoal Fund"	Fullgoal Fund Co., Ltd. (富國基金有限責任公司)
"general meeting"	the general meeting of the Company
"Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign ordinary shares in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in HK dollars
"HK$" or "HK dollars"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Hongyuan Futures"	Hongyuan Futures Co., Ltd. (宏源期貨有限公司)
"Hongyuan Huifu"	Hongyuan Huifu Capital Co., Ltd. (宏源匯富創業投資有限公司)
"Hongyuan Huizhi"	Hongyuan Huizhi Investment Co., Ltd. (宏源匯智投資有限公司)
"ISAE 3402"	International Standard on Assurance Engagements（鑒證業務國際準則）No. 3402
"margin financing and securities lending"	provision of collateral by investors to securities firms who are qualified for conducting margin financing and securities lending business to borrow funds for securities purchases (margin financing) or to borrow and sell securities (securities lending)
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules
"NEEQ"	National Equities Exchange and Quotations (全國中小企業股份轉讓系統)
"Net Capital"	equals net assets minus risk-adjusted financial assets minus other risk-adjusted assets and risk-adjusted contingent liability plus or minus capital from other adjustments recognized or approved by the CSRC

Term	Definition
"PB System"	prime brokerage system
"PE"	private equity investment
"Pre-IPO"	direct equity investment in companies before listing or expected to be listed
"REITs"	real estate investment trust
"Reporting Period"	the year from January 1, 2020 to December 31, 2020
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Securities Law"	the Securities Law of the People's Republic of China (中華人民共和國證券法)
"Shanghai Stock Exchange"	Shanghai Stock Exchange
"Shenwan Futures"	Shenwan Futures Co., Ltd. (申銀萬國期貨有限公司)
"Shenwan Hongyuan Financing Services"	Shenwan Hongyuan Financing Services Co., Ltd. (申萬宏源證券承銷保薦有限責任公司)
"Shenwan Hongyuan Industrial Investment"	Shenwan Hongyuan Industrial Investment Management Company Limited (申萬宏源產業投資管理有限責任公司)
"Shenwan Hongyuan Investment"	Shenwan Hongyuan Investment Co., Ltd. (申萬宏源投資有限公司)
"Shenwan Hongyuan Securities"	Shenwan Hongyuan Securities Co., Ltd. (申萬宏源證券有限公司)
"Shenwan Hongyuan Securities (Western)"	Shenwan Hongyuan Securities (Western) Co., Ltd. (申萬宏源西部證券有限公司)
"Shenyin & Wanguo Alternative Investment"	Shenyin & Wanguo Alternative Investment Co., Ltd. (申銀萬國創新證券投資有限公司)
"Shenyin & Wanguo Investment"	Shenyin & Wanguo Investment Co., Ltd. (申銀萬國投資有限公司)

Term	Definition
"Shenzhen Stock Exchange"	Shenzhen Stock Exchange
"SSE Composite Index"	the Shanghai Stock Exchange composite index
"STAR Market"	the Sci-Tech Innovation Board launched by the Shanghai Stock Exchange
"stock-backed lending"	a transaction in which a securities firm provides financing to qualified clients who pledge their stocks as collateral
"structured notes"	marketable securities issued by securities firms with the payment of principal and return linked to specific underlying assets
"SWS MU"	SWS MU Fund Management Co., Ltd. (申萬菱信基金管理有限公司)
"SWS Research"	SWS Research Co., Ltd. (上海申銀萬國證券研究所有限公司)
"SZSE Component Index"	the Shenzhen Stock Exchange component index
"VaR"	value at risk
"Wind Information"	Wind Information Co., Ltd. (萬得資訊技術股份有限公司), a service provider of financial data, information and software in Mainland China
"%"	percent

In the 2020 annual report, any discrepancies between the total shown and the sum of the amounts listed are due to rounding.

II. IMPORTANT NOTICE

The Company has described details of the possibly existing risks including policy risk, legal and compliance risk, market risk, credit risk, liquidity risk, operational risk and product/business innovation risk in this interim report. Investors are advised to read the "Report of the Board" as set out in section IV of this annual report carefully and pay special attention to the above-mentioned risk factors.

Section II Company Profile and Key Financial Indicators

I. COMPANY PROFILE

Stock name	申萬宏源 (Shenzhen Stock Exchange); SWHY (Hong Kong Stock Exchange)	**Stock code**	000166 (Shenzhen Stock Exchange); 6806 (Hong Kong Stock Exchange)
Stock exchanges on which the shares are listed	Shenzhen Stock Exchange, Hong Kong Stock Exchange		
Chinese name of the Company	申萬宏源集團股份有限公司		
Abbreviation of Chinese name of the Company	申萬宏源		
English name of the Company	Shenwan Hongyuan Group Co., Ltd.		
Abbreviation of English name of the Company	Shenwan Hongyuan		
Legal representative of the Company	Mr. Huang Hao		
General manager of the Company	Mr. Huang Hao		
Authorized representatives	Mr. Chu Xiaoming, Mr. Chen Jianmin		
Company secretary	Ms. Chen Chun		
Registered office of the Company	Room 2001, 20/F, Dacheng International Building, 358 South Beijing Road, Urumqi High-tech Zone, Xinjiang, the PRC		
Postal code of the registered office of the Company	830011		
Office address of the Company	20/F, Dacheng International Building, 358 South Beijing Road, Urumqi High-tech Zone, Xinjiang, the PRC; No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC		
Postal code of the office address of the Company	830011; 100033		
Principal place of business in Hong Kong	40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong		
Company website	www.swhygh.com		
Email address of the Company	swhy@swhysc.com		
The registered capital of the Company	RMB25,039,944,560		
Net Capital of the Company	The Net Capital of the parent company of Shenwan Hongyuan Securities is RMB66,054,127,024.16.		

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Securities affairs representative
Name	Mr. Xu Liang	Mr. Xu Liang
Address	20/F, Dacheng International Building, 358 South Beijing Road, Urumqi High-tech Zone, Xinjiang, the PRC	20/F, Dacheng International Building, 358 South Beijing Road, Urumqi High-tech Zone, Xinjiang, the PRC
Telephone	0991-2301870, 010-88085333	0991-2301870, 010-88085333
Facsimile	0991-2301779	0991-2301779
Email address	swhy@swhysc.com	swhy@swhysc.com

III. INFORMATION DISCLOSURE AND LOCATION FOR INSPECTION OF DOCUMENTS

Newspapers designated for disclosure of the Company's A Share information	China Securities Journal, Securities Times, Shanghai Securities News
Website designated by the CSRC for publication of the A Share annual report	www.cninfo.com.cn
Website designated by the Hong Kong Stock Exchange for publication of the H Share annual report	www.hkexnews.hk
Location for inspection of annual report of the Company	the office of the Board of the Company, 20/F, Dacheng International Building, 358 South Beijing Road, Urumqi High-tech Zone, Xinjiang, the PRC

IV. REGISTRATION INFORMATION OF THE COMPANY

(I) The date of the initial registration: September 16, 1996, Shenyin & Wanguo Securities Co., Ltd. obtained the business license of the legal entity (Registration No: 150437600), which approved and issued by Shanghai administration for industry and commerce, the registered capital was RMB1.32 billion.

Related query index of initial registration: The report of Shenyin & Wanguo Securities Co., Ltd and Hongyuan Securities Co., Ltd. merged through share conversion and absorption.

(II) The date of the recent registered change: January 14, 2021

Registered Capital: RMB25,039,944,560

Type of Company: other joint stock limited company (listed)

Legal representative: Huang Hao

(III) Unified social credit code: 91650000132278661Y

V. OTHER RELEVANT INFORMATION

(I) Auditors engaged by the Company

Auditor in PRC	KPMG Huazhen LLP
Office address of auditor in PRC	8/F, East Tower 2, East Square, 1 East Chang'an avenue, Beijing, China
Name of signing accountants	Jin Naiwen, Liu Yejun
Auditors engaged in Hong Kong	KPMG
Office address of auditors engaged in Hong Kong	8/F, Prince's Building, 10 Chater Road, Central, Hong Kong
Name of signing accountant	Pang Shing Chor Eric

(II) Legal Advisor

Domestic legal advisor	Alliance J&S Law Firm Room 1910, Tower 2, Guanghua Changan Building, No. 7 Jianguomen Inner Street, Dong Cheng District, Beijing, China
Hong Kong legal advisor	Clifford Chance 27/F, Jardine House, One Connaught Place, Central, Hong Kong
Hong Kong joint compliance advisers	Shenwan Hongyuan Capital (H.K.) Limited Level 19, 28 Hennessy Road, Hong Kong ABCI Capital Limited 11/F, Agricultural Bank of China Tower, 50 Connaught Road Central, Hong Kong

(III) The sponsor engaged by the Company to perform the continuous supervision obligation during the Reporting Period

N/A

(IV) The financial advisor engaged by the Company to perform the continuous supervision obligation during the Reporting Period

N/A

(V) Share Registrar

A Share registrar	China Securities Depository and Clearing Company Limited, Shenzhen Branch 22–28/F, Shenzhen Stock Exchange Building, 2012 Shennan Blvd., Futian District, Shenzhen, Guangdong, China
H Share registrar	Computershare Hong Kong Investor Services Limited Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

(VI) Changes in the Principal Business since the Listing of the Company

After Shenyin & Wanguo Securities Co., Ltd. ("Shenyin & Wanguo Securities") merged Hongyuan Securities Co., Ltd. ("Hongyuan Securities") through share conversion and absorption. Shenyin & Wanguo Securities was changed to an investment holding group, and which was renamed to Shenwan Hongyuan Group Co., Ltd. and listed on the Shenzhen Stock Exchange. The business scope of Shenwan Hongyuan Group Co., Ltd. is: investment management, industrial investment, equity investment, investment consulting and renting property leasing. (For projects subject to approval according to laws, business activities may not be carried out until they are approved by relevant authorities.)

Shenwan Hongyuan Group conducts the securities business through three securities firms, namely Shenwan Hongyuan Securities, Shenwan Hongyuan Securities (Western) and Shenwan Hongyuan Financing Services.

(VII) Qualifications for Each Individual Business

The business scope of subsidiary securities companies subordinate to Shenwan Hongyuan Group mainly includes:

Licensed projects: securities business; securities investment consulting; securities investment fund sales agency; custodian business for securities investment funds. (For projects subject to approval according to laws, business activities may not be carried out until they are approved by relevant authorities. The specific projects shall be subject to the approval or license documents from relevant authorities.)

General projects: the securities companies provide intermediary services for futures companies. (Other than the projects subject to approval according to laws, operations shall be carried out independently with business licenses)

In addition, subsidiary securities companies subordinate to the Company possesses the following individual business qualifications and memberships:

1. Qualified enterprise annuity fund management institution
2. Pilot program of bonds collateralized quotation repurchase business in Shanghai & Shenzhen Stock Exchange
3. Qualified proprietary business for precious metals spot contracts
4. Qualified proprietary business for gold spot contracts
5. Qualified domestic institutional investor (QDII) qualification
6. Agreed repurchase securities trading entitlement in Shanghai & Shenzhen Stock Exchange
7. Qualification of Securities Broker
8. Treasury bonds futures proprietary business
9. Qualification of participating for treasury bonds buyback in Shanghai Stock Exchange
10. Qualification of level one dealer on the Shanghai Stock Exchange Integrated Electronic Platform for Fixed Income Securities
11. Qualification for the Shanghai Stock Exchange 50ETF options market-making business
12. Stock pledged repurchase transaction business for securities in Shanghai & Shenzhen Stock Exchange
13. Qualification to conduct Southbound trading under the Shanghai-Hong Kong stock connect
14. Permission to conduct Southbound trading under Shenzhen-Hong Kong stock connect
15. Qualification of cash management products quick withdrawal business

16. Special membership certificate of the Shanghai Gold Exchange
17. Qualification for inter-bank gold price asking transactions under Shanghai Gold Exchange
18. Qualification for stock option brokerage and proprietary business trading
19. Pilot program for OTC financial derivatives
20. Pilot program for OTC business
21. Pilot program for Internet-based securities business
22. Qualification of secondary dealers for OTC options business
23. Qualification of branch account accounting business in Shanghai Pilot Free Trade Zone
24. Qualification for lending in the national inter-bank lending market
25. Access permission for national inter-bank bond market
26. Qualification of underwriting business for debt financing instruments of non-financial enterprises
27. Membership of National Association of Financial Market Institutional Investors
28. Qualification of the principal dealer for credit risk mitigation tools of National Association of Financial Market Institutional Investors
29. Qualification of the creator for credit risk mitigation certificates of National Association of Financial Market Institutional Investors
30. Qualification for institution providing credit bond bill of National Association of Financial Market Institutional Investors
31. Qualification of participating in the net settlement of bond trade in Shanghai Clearing House
32. Qualification of trial market maker on the inter-bank bond market
33. Qualification for interest rate swap business
34. Qualification for agency business of securities accounts
35. Qualification of Agency for business of securities pledge registration
36. Qualification for settlement of securities funds of stock-option business pilot program
37. Qualification of secondary membership of settlement in China Central Depository & Clearing Co., Ltd.
38. Qualification of direct-investment to corporate bond in China Central Depository & Clearing Co., Ltd. in 2018
39. Qualification for foreign exchange operation in the securities business
40. Approval in amount for foreign exchange for overseas investment
41. Foreign currency lending membership of China Foreign Exchange Trading System
42. Operate recommendation, brokerage, and market-making business on the National Equities Exchange and Quotations as the lead securities firm.
43. Qualification for recommended listing, directional capital increase business in Zhejiang equity exchange center
44. Qualification for recommended listing, directional capital increase business in Dalian equity exchange center
45. Qualification for margin refinancing
46. Qualification for market maker of institutional private placement product quotation and service system
47. Qualification for insurance capital trustee
48. Qualification for consultancy services relating to the secrecy-involved business of the military industry
49. Qualification for credit derivatives business
50. Qualification for treasury bonds futures market-making business of China Financial Futures Exchange
51. Qualification for Bond Connect business

52. Qualification of main market maker for listed funds of the Shanghai Stock Exchange
53. Qualification for securities option trading permission
54. Qualification of main market maker of the Shanghai and Shenzhen 300ETF options of the Shanghai Stock Exchange
55. Qualification of market maker of the Shanghai and Shenzhen 300ETF options of the Shenzhen Stock Exchange
56. Qualification of market maker of the Shanghai and Shenzhen 300 index options of China Financial Futures Exchange
57. Qualification of market maker of commodity options (PTA, methanol) of Zhengzhou Commodity Exchange
58. Qualification for pilot fund investment advisory business
59. Qualification for core dealer of credit protection contract of the Shenzhen Stock Exchange
60. Qualification for the pledged quotation repurchase transaction business of the Shenzhen Stock Exchange
61. Qualification for market maker of liquefied petroleum gas futures and options of Dalian Commodity Exchange
62. Qualification for pilot cross-border business related matters
63. Qualification of primary dealers for OTC options
64. Qualification of market maker of natural rubber and petroleum asphalt futures of the Shanghai Futures Exchange
65. Qualification of main market maker of the Shanghai Stock Exchange 50ETF options of the Shanghai Stock Exchange
66. Qualification of market maker of corn futures of Dalian Commodity Exchange
67. Qualification of main market maker of the STAR Market ETF of the Shanghai Stock Exchange
68. Qualification of market maker of commodity futures of Zhengzhou Commodity Exchange
69. Qualification for options clearing business of China Securities Depository and Clearing Company Limited
70. Clearing membership of the Interbank Market Clearing House
71. Qualification of class A clearing participant of China Securities Depository and Clearing Company Limited
72. Membership of China Bill Trading System
73. Membership of Shanghai Stock Exchange
74. Membership of Shenzhen Stock Exchange
75. Membership certificate of the Asset Management Association of China
76. Membership of National Debt Association of China
77. Membership of Shanghai Securities Association
78. Membership of Securities Association of China
79. Membership of China Securities Investor Protection Fund
80. Membership of Insurance Asset Management Industry of China
81. Membership of China Futures Association
82. Membership certificate of the National Internet Finance Association of China

(VIII) History of the Company

Shenyin & Wanguo Securities was established through the merger of former Shanghai Shenyin Securities Co., Ltd. and former Shanghai Wanguo Securities Co., Ltd. in September 16, 1996, which had a registered capital of RMB1,320,000,000. The merger was approved by the People's Bank of China (Yin Fu [1996] No. 200).

According to the "reply on approving the plan of increase in capital and shares by Shenyin & Wanguo Securities Co., Ltd." issued by CSRC on October 18, 2001 (Zheng Jian Ji Gou Zi [2001] No. 218), Shenyin & Wanguo Securities completed all the work within the prescribed time limit, with the registered capital changed from RMB1,320,000,000 to RMB4,215,760,000, and the articles of association was amended accordingly. According to the "reply on approving the plan of increase in capital and shares by Shenyin & Wanguo Securities Co., Ltd." issued by CSRC on March 4, 2002 (Zheng Jian Ji Gou Zi [2002] No. 61), Shenyin & Wanguo Securities completed the industrial and commercial alteration registration of registered capital in May 2002, and obtained the new license for operating securities business from the CSRC.

In September 2005, Central Huijin injected capital into Shenyin & Wanguo Securities, purchasing 2.5 billion new shares with RMB2.5 billion in cash. Upon the approval of the general meeting of shareholders and the CSRC, and the completion of the change of registration and other relevant legal procedures, the capital increase and share expansion of Shenyin & Wanguo was officially completed on September 30, 2005, and the registered capital was changed to RMB6,715,760,000.

By the approval of "approval for alteration of Shenyin & Wanguo Securities Co., Ltd.'s shareholders which holding more than 5% (Hu Zheng Jian Ji Gou Zi [2012] No. 42)" by CSRC Shanghai branch on February 24, 2012, Central Huijin acquired 1,218,967,798 shares of Shenyin & Wanguo Securities held by four companies, namely Shanghai international group Co., Ltd., Shanghai state-owned assets management Co., Ltd., Shanghai international trust Co., Ltd., Shanghai international group assets management Co., Ltd. Upon completion of the shareholding change, the number of shares held by Central Huijin increased to 3,718,967,798 shares with the shareholding of 55.38%.

On July 25, 2014, Shenyin & Wanguo Securities held the 18th meeting of the third session of the board of directors, and Hong Yuan Securities held the 21st meeting of the seventh session of the board of directors, deliberating and passing the proposal of Shenyin & Wanguo Securities exchanging shares to absorb and merge Hong Yuan Securities. On August 11, 2014, the second extraordinary general meeting of shareholders of Shenyin & Wanguo Securities in 2014 and the first extraordinary general meeting of shareholders of Hong Yuan Securities in 2014 reviewed and approved the above-mentioned issues of share exchange absorption and merger.

Hong Yuan Securities, formerly Xinjiang Hongyuan Trust and Investment Co., Ltd., was established in 1993 by public subscription. Approved by CSRC on January 3, 1994, Hong Yuan Securities issued 50 million ordinary shares of RMB to the public initially and was listed on the Shenzhen Stock Exchange on February 2, 1994. In September 2000, with the approval of the Zheng Jian Ji Gou Zi [2000] No. 210 issued by CSRC, the company was reorganized into Hong Yuan Securities.

On November 28, 2014, CSRC issued the "reply to the approval of Shenyin & Wanguo securities Co., Ltd. to issue shares to absorb and merge Hong Yuan Securities Co., Ltd. (Zheng Jian Xu Ke [2014] No.1279), and approved Shenyin & Wanguo Securities to issue 8,140,984,977 shares to absorb and merge Hong Yuan Securities.

On December 14, 2014, Shenyin & Wanguo Securities held the 23rd meeting of the third session of the board of directors, reviewed and agreed the reorganization scheme, Shenyin & Wanguo Securities set up a wholly owned subsidiary of securities in Shanghai with all the securities assets and liabilities after the merge with Hong Yuan Securities, and Shenyin & Wanguo Securities renamed into Shenwan Hongyuan Group Co., Ltd. and relocated to Xinjiang.

On January 8, 2015, the Ministry of Finance issued the "approval of the asset appraisal project of Shenyin & Wanguo Securities absorbing and merging Hong Yuan Securities" (Cai Jin [2015] No. 1), and approved the asset appraisal report of Shenyin & Wanguo securities investing and establishing securities subsidiaries with all securities assets and liabilities after absorbing and merging Hong Yuan Securities; On January 15, 2015, CSRC issued the reply to the approval for the establishment of Shenwan Hong Yuan Securities Co., Ltd. and its two subsidiaries (Zheng Jian Xu Ke [2015] No. 95), approving that Shenyin & Wanguo Securities would

establish Shenwan Hong Yuan Securities Co., Ltd. as a wholly-owned securities subsidiary by absorbing all securities assets and liabilities after the merger of Shenwan Hong Yuan Securities. On the same day, Shenwan Hong Yuan Securities Co., Ltd. was established.

On January 16, 2015, Shenyin & Wanguo Securities renamed as "Shenwan Hongyuan Group Co., Ltd." and changed its business scope to "investment management, industrial investment, equity investment and investment consultation", and obtained the renewed business license issued by Shanghai Administration for Industry and Commerce (registration number: 310000000046991).

On January 20, 2015, Shenwan Hongyuan Group moved to Urumqi, Xinjiang and obtained the business license renewed by the administration for industry and commerce of Xinjiang Uygur Autonomous region.

On January 23, 2015, after the close of trading on the record date of implementing the transfer of shares, Hong Yuan Securities implemented the transfer of shares and converted into A Shares of Shenwan Hongyuan Group.

On January 26, 2015, with the approval of "Notice on the listing of RMB ordinary shares of Shenwan Hongyuan Group Co., Ltd." (Shen Zheng Shang [2015] No. 14) by Shenzhen Stock Exchange, Shenwan Hongyuan Group's RMB ordinary shares are listed on the Shenzhen Stock Exchange.

In March 2015, in accordance with the authorization and specific implementation of the general meeting, the Company completed the filing procedures for the Articles of Association, change of registered capital, change of enterprise type and other industrial and commercial changes procedures, and obtained the business license issued by the Administration for Industry and Commerce of Xinjiang Uygur Autonomous region, with the registered capital of RMB14,856,744,977.

On July 6, 2016, the Company implemented and completed the 2015 annual profit distribution plan, and the total share capital of the Company increased from 14,856,744,977 shares to 20,056,605,718 shares. In November 2016, as authorized by the general meeting, the Company amended the relevant articles of the Articles of Association, went through the procedures of changing the industrial and commercial registration and filing procedure, and obtained a new business license. The registered capital was changed to RMB20,056,605,718, and the business scope is changed to: investment management, industrial investment, equity investment, investment consultation, and property leasing (for projects subject to approval according to law, business activities can be carried out only after the approval of relevant departments).

Upon the "reply for approval of the Shenwan Hongyuan Group Co., Ltd.'s non-public issue of stock" (Zheng Jian Xu Ke [2017] No. 2282) by CSRC, in January 2018, Shenwan Hongyuan Group conducted non-public issuance of 2,479,338,842 ordinary shares to four investors, and on January 30, 2018 listed on the Shenzhen Stock Exchange, the Company's total share capital increased from 20,056,605,718 shares to 22,535,944,560 shares. On February 2, 2018, as authorized by the general meeting, the Company went through the procedures for the alteration of industrial and commercial registration and filing of the registered capital and the relevant provisions of the Articles of Association of the company, and obtained a new business license, with the registered capital changed to RMB22,535,944,560.

The Company issued 2,504,000,000 overseas listed foreign shares (H Shares) and such H Shares were listed and traded on the Main Board of the Hong Kong Stock Exchange on April 26, 2019, as approved by the "Reply Regarding Approval for Issuance of Overseas Listed Foreign Shares by Shenwan Hongyuan Group Co., Ltd." (Zheng Jian Xu Ke [2019] No. 393) issued by CSRC and by the Hong Kong Stock Exchange. The total share capital of the Company increased from 22,535,944,560 shares to 25,039,944,560 shares. On June 20, 2019, the Company went through the procedures for the alteration of the industrial and commercial registration and filing of the registered capital and related articles of the Articles of Association as authorized by the general meeting, and obtained a new business license. The registered capital of the company was changed from RMB22,535,944,560 to RMB25,039,944,560.

VI. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS (CONSOLIDATED STATEMENTS)

Accounting data and financial indicators set out in this report have been prepared in accordance with the International Financial Reporting Standards.

(I) Key accounting data and financial indicators

Unit: RMB'000

Items	2020	2019	Increase/decrease as compared with the last year (%)	2018
Total revenue and other income	**39,156,373**	33,251,541	17.76	24,109,617
Profit before income tax	**9,348,467**	6,927,231	34.95	5,187,265
Net Profit attributable to shareholders of the Company	**7,766,175**	5,735,413	35.41	4,160,189
Net cash used in operating activities	**-34,741,199**	-1,004,066	N/A	-9,396,995
Basic earnings per share (in RMB per share)	**0.31**	0.24	29.17	0.19
Weighted average return on equity (%)	**9.05**	7.41	Increased by 1.64 percentage points	6.19

Items	End of 2020	End of 2019	Increase/decrease as compared with the end of last year (%)	End of 2018
Total assets	**491,124,277**	388,537,268	26.40	347,725,035
Total liabilities	**401,033,687**	303,705,861	32.05	276,529,106
Net assets attributable to shareholders of the Company	**88,464,617**	83,206,190	6.32	69,399,325
Total Share capital	**25,039,945**	25,039,945	—	22,535,945
Equity per share attributable to shareholders of the Company (in RMB per share)	**3.53**	3.32	6.33	3.08
Gearing ratio (%)[Note]	**77.08**	72.77	Increased by 4.31 percentage points	75.23

Note: Gearing ratio = (Total liabilities – Accounts payable to brokerage clients-proceeds from securities underwriting collected on behalf of clients in the accounts payable to securities underwriting clients) / (Total assets – Accounts payable to brokerage clients-accounts payable to securities underwriting clients from the proceeds from securities underwriting collected on behalf of clients)

VII. DIFFERENCES IN ACCOUNTING DATA UNDER DOMESTIC AND INTERNATIONAL ACCOUNTING STANDARDS

There are no differences between the net profits in 2020 and 2019 and net assets as of December 31, 2020 and December 31, 2019 set out in the financial statements disclosed by the Company under the International Financial Reporting Standards and China Accounting Standards for Business Enterprises.

VIII. NET CAPITAL AND THE LIQUIDITY RISK CONTROL INDICATORS (CALCULATED BASED ON THE DATA OF THE PARENT COMPANY OF SHENWAN HONGYUAN SECURITIES)

Unit: RMB

Items	As of the end of 2020	As of the end of 2019	Increase/decrease as compared with the end of the last year
Core net capital	**57,654,127,024.16**	54,468,279,563.32	5.85%
Net supplementary capital	**8,400,000,000.00**	2,300,000,000.00	265.22%
Net capital	**66,054,127,024.16**	56,768,279,563.32	16.36%
Net assets	**76,385,769,110.12**	70,434,032,260.20	8.45%
Total risk capital reserves	**40,349,612,119.36**	27,661,466,870.01	45.87%
Total on-balance sheet & off-balance sheet assets	**359,331,501,949.41**	271,217,022,208.19	32.49%
Risk coverage ratio	**163.70%**	205.23%	Decreased by 41.53 percentage points
Capital leverage ratio	**16.06%**	20.08%	Decreased by 4.02 percentage points
Liquidity coverage ratio	**205.07%**	232.15%	Decreased by 27.08 percentage points
Net stable funding ratio	**133.71%**	142.06%	Decreased by 8.35 percentage points
Net capital/net assets	**86.47%**	80.60%	Increased by 5.87 percentage points
Net capital/liabilities	**25.62%**	29.86%	Decreased by 4.24 percentage points
Net assets/liabilities	**29.63%**	37.05%	Decreased by 7.42 percentage points
Equity securities and derivatives held/net capital	**52.90%**	29.35%	Increased by 23.55 percentage points
Non-equity securities and derivatives held/net capital	**312.33%**	273.71%	Increased by 38.62 percentage points

Note: the relevant risk control indicators as at the end of 2019 have been recalculated and presented according to the Provisions on the Calculation Basis for Risk Control Indicators of Securities Companies issued by the CSRC on January 23, 2020.

IX. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS IN LAST FIVE YEARS

1. Profiting status (Unit: RMB'000)

Items	2020	2019	2018	2017	2016
Total revenue and other income	**39,156,373**	33,251,541	24,109,617	20,924,649	21,718,820
Total expenses	**30,099,411**	26,606,448	19,133,948	15,220,327	15,545,269
Profit before income tax	**9,348,467**	6,927,231	5,187,265	5,927,493	6,385,312
Net profit attributable to shareholders of the Company	**7,766,175**	5,735,413	4,160,189	4,599,683	5,409,058

2. Assets status (Unit: RMB'000)

Items	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Total assets	**491,124,277**	388,537,268	347,725,035	299,943,298	275,489,263
Total liabilities	**401,033,687**	303,705,861	276,529,106	242,937,520	221,416,022
Equity attributable to shareholders of the Company	**88,464,617**	83,206,190	69,399,325	55,197,197	52,304,812
Share capital	**25,039,945**	25,039,945	22,535,945	20,056,606	20,056,606

3. Key financial indicators

Items	2020	2019	2018	2017	2016
Basic earnings per share (in RMB per share)	**0.31**	0.24	0.19	0.23	0.27
Diluted earnings per share (in RMB per share)	**0.31**	0.24	0.19	0.23	0.27
Weighted average return on equity (%)	**9.05**	7.41	6.19	8.61	10.59
Gearing ratio (%)[Note]	**77.08**	72.77	75.23	75.88	70.89
Equity per share attributable to shareholders of the Company (in RMB per share)	**3.53**	3.32	3.08	2.75	2.61

Note: Gearing ratio = (Total liabilities – Accounts payable to brokerage clients-proceeds from securities underwriting collected on behalf of clients) / (Total assets – Accounts payable to brokerage clients-proceeds from securities underwriting collected on behalf of clients)

Section III Summary of the Company's Business

I. PRINCIPAL BUSINESS ENGAGED BY THE COMPANY DURING THE REPORTING PERIOD

(I) Principal business engaged by the Company and its business model

As an investment holding group, the Company is committed to providing diverse financial products and services to clients, footed the capital market and focusing on securities businesses. Utilizing the structure of "investment holding group + subsidiary securities firm", the Company has established business model and competitive strengths to distinct itself among its competitors. The Company's business mainly focuses on four segments, including enterprise finance, personal finance, institutional services and trading, as well as investment management. The specific business structure is as follows:

Enterprise Finance		Personal Finance	Institutional Services and Trading	Investment Management
Investment Banking	**Principal Investment**			
• Equity financing	• Equity investment	• Securities and futures brokerage	• Prime brokerage	• Asset management
• Debt financing	• Debt investment	• Margin financing and securities lending	• Research and consultation	• Mutual fund management
• Financial advisory	• Other investment	• Stock-backed lending	• Proprietary trading	• Private equity fund management
		• Sales of financial products		

1. Enterprise finance

The Company's enterprise finance business consists of investment banking business and principal investment business. Investment banking business provides equity underwriting and sponsorship, debt underwriting and financial advisory services for corporate clients; and principal investment business mainly comprises equity investment and debt investment of non-listed companies.

2. Personal finance

The Company's personal finance business serves the comprehensive financial needs of individuals and non-professional institutional investors. It provides services such as securities and futures brokerage, margin financing and securities lending, stock-backed lending, sales of financial products and investment advisory through the combination of online and offline channels.

3. Institutional services and trading

The Company's institutional services include prime brokerage and research and consultation services for professional institutional clients; in the meantime, the Company is also engaged in the trading of FICC, equity and equity-linked securities, based on which the Company offers sales, trading, hedging and OTC derivatives services to institutional clients.

4. Investment management

The Company's investment management business consists of asset management, mutual fund management and private equity fund management services.

There were no material changes to the principal business and business model of the Company during the Reporting Period.

(II) The characteristics of the industry and the Company's position in the industry

In 2020, the reform and opening up of the capital market of China was further deepened. In the past year, the official implementation of the new Securities Law, the intensive introduction of policies including new refinancing regulations, new delisting regulations, and transfer of NEEQ, the extension of registration system reform from the STAR Market to the ChiNext Board, and the deepening of reform in the capital market from incremental reform to stock reform opened up a huge space for the development of the securities industry. Meanwhile, the global pandemic of COVID-19 and the intensification of the tensions between major powers have also had a greater impact on the capital market. Market fluctuations have intensified, and the development of the capital market still faces a series of risks and challenges.

As a comprehensive financial service provider based on the capital market, the Company has established a long-standing, comprehensive and high-quality leading position in the securities industry of China. During the Reporting Period, as a proactive response to the dual adverse effects of COVID-19 and economic downturn, the Company earnestly implemented the decisions and deployments of the Party Central Committee and the State Council and made every effort to proceed with the "six stabilisations" and implement the "six guarantees"[1] tasks, to continuously enhance integrated customer service capabilities. A number of measures including proactive optimisation of business layout, acceleration of reform and transformation and intensification of risk prevention and control were taken to support the development of real economy. At present, the Company has solid asset quality and good financial status and has achieved good results in terms of operating income, net profit, total assets, net assets, return on equity, and industry ranking, and its comprehensive strength is in the first rank in the industry.

[1] ("six stabilisations" refer to stabilisation of employment, finance, foreign trade, foreign investment, investment, and expectations; "six guarantees" refer to guarantee of resident employment, basic people's livelihood, main market players, food and energy security, stability of industrial chain and supply chain, and grassroots operation)

II. SIGNIFICANT CHANGES FOR KEY ASSETS OF THE COMPANY

(I) Status of significant changes for key assets

Key Assets	Explanation for Significant Changes
Clearing settlement funds	Increase in the clearing settlement funds of brokerage customers and self-owned clearing settlement funds deposited with depository and clearing institutions
Fund-providing	Increase in customers' demand for financing
Refundable deposits	Increase in refundable deposits of margin refinancing, stock index futures, swap business, etc.
Accounts receivable	Increase in accounts receivable from securities clearing and asset management business
Financial assets held under resale agreements	Decrease in the scale of stock-pledged repurchase business and bond-pledged repurchase business
Financial assets at fair value through profit or loss	Increase in the scale of investment in bonds, shares, asset management plans
Financial assets at fair value through other comprehensive income	Increase in the scale of bonds investment
Interest in associates and joint ventures	Increase in the scale of investment in associates and joint ventures

(II) Status of key assets overseas

Details of the assets	Formed reason	Assets scale	Location	Operating model	Profiting status	Assets overseas/ net asset of the Company	Whether there is significant impairment risk
Shenwan Hongyuan (International) Holdings Limited	Investment	HK$ 16,619,514,030.85	Hong Kong	Wholly-owned subsidiary	HK$ 867,143,059.83	15.53%	No

III. CORE COMPETITIVENESS OF THE COMPANY

In accordance with strategic requirements, the Company utilizes its established advantages to promote the coordinated development of each business segment coordinately, and actively builds an investment holding group with securities business as its core, thus forming its own core competitiveness, which is mainly reflected in the following aspects:

(I) Leading comprehensive strength

Due to the strong advantages in respect of shareholders, abundant capital strength and extensive brand influence, as well as rich customer resources and comprehensive outlet distribution, the Company has achieved good operating results and its comprehensive competitiveness ranked at the forefront of the securities industry. Adhering to the customer-centric development concept, the Company comprehensively promotes the development, transformation and innovation of the securities business and proactively expands the investment business centering on the securities business, which continuously consolidates and enhances its comprehensive financial service capabilities.

(II) Comprehensive business layout

The Company has improved the whole industry chain business model based on the capital market and continuously consummated the product lines and service lines under securities business. With full licenses and leading business capabilities, the Company has achieved good development momentum and its position in the industry improves steadily. The Company proactively expands its investment layout of the capital market and securities business, to promote the efficient and coordinated development of securities business and investment business.

(III) Favorable regional advantage

Closely following the national development strategy, the Company promotes the establishment of a regional development pattern featuring linkage and resource synergy between the eastern and western regions of China. While establishing an extensive layout in traditional advantageous areas including Shanghai and Xinjiang, the Company deeply taps the development opportunities arising from the construction of "Two Centers" and free trade zone in Shanghai, proactively cooperates with the development of the western region and the "Belt and Road Initiative", and continues to deepen the prospective layout in the areas including Guangdong-Hong Kong-Macao Greater Bay Area, Beijing-Tianjin-Hebei Region and Great Southwest Region, to further establish important regional growth drivers.

(IV) Effective risk management

The Company attaches great importance to legal and compliance operation and internal control construction. It has established a comprehensive risk management system at group level covering all aspects and all staff throughout its entire business process, continuously improved risk policy, optimized risk identification and response, and effectively controlled operation risks, with risk control indicators of subsidiary securities firm in compliance with the regulatory requirements. Moreover, its business maintains sustainable development momentum, providing a guarantee for the further improvement of the Company's comprehensive strength.

(V) Well-established talent mechanism

The Company adheres to the people-oriented principle, upholds the concept of employing those with integrity, competence and merit and giving full scope to the talents, and creates an open, equal, competitive, merit-based and applicable employment environment. The Company continuously improves the human resources development system with market-oriented mechanism as the core, and promotes the interests sharing between the Company, shareholders and employees to provide strong and enduring career security for employee's long-term development and self-value realization.

Section IV Report of the Board

I. OVERVIEW

In 2020, the impact of COVID-19 caused the worst recession of global economy since the financial crisis and the blockade measures of various countries once caused a large-scale shutdown of economy, resulting in a surge in unemployment, a severe internal and external development situation, the rise of "deglobalization", and the in-depth adjustment of the international financial market. In the context of the overall deployment of the prevention and control of COVID-19 and economic and social development by the Party Central Committee and the State Council, the domestic economy withstood the dual challenges caused by COVID-19 and Sino-US economic and trade friction. While the economy quickly restored after bottoming out, the policies were moderately tightened after relaxation, the reform sped up obviously and the capital market improved amidst stabilisation. Securities operating institutions continued to benefit from reform policy and grew in an orderly manner. The three major A-share indexes rose collectively. In particular, the SSE Composite Index, the SZSE Component Index, and the ChiNext Price Index rose by 13.87%, 38.73%, and 64.96%, respectively throughout the year. The SZSE Component Index and the ChiNext Price Index both hit 5-year highs, and the ChiNext Price Index growth ranked the first among major global indexes for two consecutive years. The trading amount of stocks in the Shanghai Stock Exchange and Shenzhen Stock Exchange reached RMB206.83 trillion, representing a year-on-year increase of 62.32%. According to the unaudited 2020 operating data of securities companies issued by the Securities Association of China, 135 securities companies in the securities industry achieved operating income of RMB448.479 billion, representing a year-on-year increase of 24.41%; and net profit of RMB157.534 billion, representing a year-on-year increase of 27.98%. In particular, 127 securities companies achieved profitability.

During the Reporting Period, the Company, closely centering on the development strategy formulated by the Board of Directors, fulfilled the responsibilities as a state-owned financial enterprise and resolutely proceed with "three major financial tasks". To achieve the goal and task of building a leading broker and improving competitiveness, the Company followed the general principle of "consolidating the management foundation, achieving key breakthroughs, and comprehensively improving the quality of development", adopted an innovative profit model, created new growth drivers, and accelerated system and mechanism reform and improvement of management capabilities, to comprehensively enhance the Company's market competitiveness and profitability. Its operating income and net profit recorded a new high in five years and its scale of assets and profitability remained in the first rank in the industry.

II. PRINCIPAL BUSINESS ANALYSIS

(I) General Condition

In 2020, the Company realized total revenue and other income of RMB39,156 million, representing an increase of 17.76% as compared to the corresponding period of last year; profit before income tax of RMB9,348 million, representing an increase of 34.95% as compared to the corresponding period of last year; net profit attributable to shareholders of the Company of RMB7,766 million, representing an increase of 35.41% as compared to the corresponding period of last year; basic earnings per share of RMB0.31, representing an increase of 29.17% as compared to the corresponding period of last year; and a weighted average return on equity of 9.05%, representing an increase of 1.64 percentage points as compared to the corresponding period of last year. As of December 31, 2020, the Company had total assets of RMB491,124 million, representing an increase of 26.40% as compared to the beginning of the year, and the total equity attributable to shareholders of the Company amounted to RMB88,465 million, representing an increase of 6.32% as compared to the beginning of the year.

(II) Principal Business Analysis

Shenwan Hongyuan Group is comprised of subsidiaries in the fields of securities, investment, fund and futures, and has four major business segments including enterprise finance, personal finance, institutional services and trading, and investment management. The Company continues to build the whole industry chain of investment and financial services relying on the capital market to provide diverse financial products and services to customers.

Information on each business segment of the principal business is as follows:

Unit: RMB'000

Segment	Total revenue and other income	Total expenses	Operating profit margin (%)	Change in total revenue and other income as compared to the corresponding period of last year (%)	Change in total expenses as compared to the corresponding period of last year (%)	Change in operating profit margin as compared to the corresponding period of last year (percentage point)
Enterprise finance	2,996,547	2,301,415	23.20	10.25	0.31	7.62
Including: Investment banking	1,602,587	906,887	43.41	31.49	11.81	9.96
Principal investment	1,393,960	1,394,528	-0.04	-7.02	-5.99	-1.09
Personal finance	12,850,019	8,658,352	32.62	13.27	1.20	8.03
Institutional services and trading	20,921,158	17,274,452	17.43	21.87	20.03	1.27
Investment management	2,388,649	1,865,192	21.91	18.09	36.70	-10.63
Total	39,156,373	30,099,411	23.13	17.76	13.13	3.15

1. Enterprise Finance Business

Targeting enterprise clients, our enterprise finance business consists of investment banking business and principal investment business. The investment banking business includes equity financing, debt financing and financial advisory, while the principal investment business includes equity investment, debt investment and other investment. During the Reporting Period, the enterprise finance business of the Company recorded total income and other gains of RMB2,997 million, representing an increase of 10.25% over the same period of last year, including RMB1,603 million from the investment banking business and RMB1,394 million from the principal investment business.

(1) *Investment banking business*

In 2020, the total A Share equity financing amounted to RMB1,667.654 billion, representing a year-on-year increase of 8.20%; the total corporate bonds issued amounted to RMB3,369.745 billion, representing a year-on-year increase of 32.47%; the total financial bonds issued amounted to RMB9,076.051 billion, representing a year-on-year increase of 37.48%; and the total enterprise bonds issued amounted to RMB392.639 billion, representing a year-on-year increase of 8.33% (Wind Information, 2020).

As the capital market reform continued to deepen, the Company's investment banking business proactively served the national strategy of capital market reform and technological innovation, seized the opportunities for the selective layer, refinancing, and the registration system of ChiNext Board, and seized the opportunities for mergers and acquisitions based on industrial logic, to develop a full range of fixed income financing businesses. In addition, it continuously intensified the development of new projects, enriched project reserves, and consolidated and expanded the core customer base. During the Reporting Period, the Company completed 27 equity financing projects (including 7 IPOs, 15 refinancing projects and 5 projects of the selective layer, ranking the second in the industry) with a financing amount of RMB27.344 billion. Two M&A and restructuring transactions were approved, ranking the seventh in the industry. The Company acted as the lead underwriter for 143 corporate bond projects with underwriting amount of RMB128.068 billion, ranking the ninth in the industry (Wind Information, 2020); the Company served as the lead underwriter for 64 financial bond projects with underwriting amount of RMB110.065 billion, ranking the ninth in the industry (Wind Information, 2020). During the outbreak of COVID-19 epidemic, the Company proactively responded to the state's call for giving play to the role of the capital market by serving as the lead underwriter for the first domestic epidemic prevention bonds of the securities company at the critical moment of prevention and control of the epidemic and support for the fight against the "epidemic". The Company recommended five companies for listing and 62 private placement projects on the primary market of OTC business, ranking the second in the industry in terms of the increased number of listing companies. The Company ranked the first in the industry in terms of the accumulated number of enterprises for which the Company recommended for listing, the number of private placement projects and the number of enterprises subject to continuous supervision of the Company.

(2) *Principal investment business*

The Company and certain of its subsidiaries including Shenwan Hongyuan Securities conduct the principal investment business.

The Company steadily carried out the integration and optimization of investment platforms and the reform of investment management mechanisms to proactively overcome the adverse effects of COVID-19. On the basis of strict risk control, the Company further focused on the capital market and securities business, proactively adjusted its business layout, and promoted the enrichment and diversification of asset allocation, to vigorously enhance its investment expertise.

Hongyuan Huizhi deeply implemented the customer-centric development concept and further optimised its business layout featuring commercial real estate and infrastructure investment. It increased 57 new investment projects throughout the year; relying on the capital market, it increased investment in standardized products, proactively developed innovative fields including accounts receivable, consumer finance credit, warehousing and logistics, and adjusted the asset allocation structure in an orderly way; while vigorously promoting the light capital oriented transformation, it comprehensively strengthened synergy with FICC, investment banking, asset management, fixed income and other businesses, and created a joint development model for capital intermediary and other fields; moreover, it strengthened services for private, micro, small and medium-sized enterprises, and the total amount of financing for which it provided support reached RMB3.38 billion.

Shenyin & Wanguo Alternative Investment deepened the adjustment of asset layout by placing its focus on the business of follow-up investment in the STAR Market. During the Reporting Period, it completed 3 follow-up investment projects in the STAR Market, vigorously developed equity assets and made investment in 2 selected projects.

Shenyin & Wanguo Investment strove to strengthen business cooperation with large groups, listed companies, and local governments with the “PE+” model. During the Reporting Period, four investees were listed and a number of investees were in the process of application for IPO or IPO review.

2. Personal Finance Business

The personal finance business mainly covers securities brokerage, futures brokerage, margin financing and securities lending, stock-backed lending, and sales of financial products. During the Reporting Period, the personal finance business of the Company recorded total revenue and other income of RMB12,850 million, representing a year-on-year increase of 13.27%.

(1) Securities brokerage business

In 2020, the overall capital market picked up with the SSE Composite Index, the SZSE Component Index and the ChiNext Board Index rising by 13.87%, 38.73% and 64.96%, respectively. The trading of shares in the Shanghai and Shenzhen stock markets was active with a trading amount of RMB206.83 trillion throughout the year, representing a year-on-year increase of 62.32%. The Company's securities brokerage business proactively seized opportunities in the market to increase the introduction of customer assets and efforts to activate assets through key measures including exerting efforts on high-end clients, product sales, quantitative private equity business and fund investment advisory, to further improve the wealth management system and speed up the transformation to wealth management. As of the end of the Reporting Period, client's securities under the custody of the Company amounted to RMB4.19 trillion, representing an increase of 30.89% from the end of last year and a market share of 6.83%, ranking the top in the industry; the net income from our agency trading business amounted to RMB4,279 million, steadily ranking among the top in the industry; during the Reporting Period, the Big Winner APP of the Company accelerated iteration and launched 237 new businesses and experience optimizations, with monthly active users reaching 1.8652 million, representing an increase of 66.37% over last year.

(2) Futures brokerage business

The Company conducts the futures brokerage business through Shenwan Futures and Hongyuan Futures.

In 2020, led by product-oriented business, Shenwan Futures expedited the development of wealth management business, comprehensive finance business and risk management business on the basis of continuous expansion of the scale of brokerage business, to promote the business management to a new level. As of the end of the Reporting Period, the size of customer equity reached RMB18.5 billion, representing a year-on-year increase of 67.85%; the turnover of agent sales was 243 million lots, representing a year-on-year increase of 58.80%; the size of customer equity and turnover of agent sales and other main indicators recorded a new high. Shenwan Futures has been awarded the highest Class A Grade AA rating in the classified evaluation of futures companies by the CSRC for seven consecutive years, and it has also been granted 17 honours including the "Outstanding Member" by three commodity exchanges and China Financial Futures Exchange. Two research results, i.e. "Empirical Study on how the Listing of Treasury Bond Futures Improved the Curve of Yield of Treasury Bonds" and "Enhancement of Cross-border Service Capabilities of Futures Agencies", won the second price of "2018–2019 Excellent Research Results on the Reform and Development of the Financial Industry in Shanghai" issued by Shanghai Financial Association. It was granted nearly 50 honors as issued or elected by industry associations, government authorities, various media, etc. throughout the year, resulting in continuous enhancement of its position in the industry and brand awareness.

Hongyuan Futures proactively expanded futures brokerage business and strengthened online business development. As a result, it achieved daily average customer equity of RMB7.291 billion, hitting a record high; as a result of the in-depth advancement of projects including "Customer Classification and Grading" and "Hundred Industries Plan", the corporate client equity accounted for 48.13% and the customer structure was further optimised; the advantages of futures and spot business were further consolidated and the basis trading involved 46 varieties. For warehouse receipt service, it completed the first warehouse receipt order for hot-rolled coil, stainless steel and starch, and won the title of "Excellent Trader on the Standard Warehouse Receipt Trading Platform of the Shanghai Futures Exchange"; financial derivatives business has grown rapidly, with a nominal principal exceeding RMB6 billion, and it proactively explored new business models including PTA and ethylene glycol cum rights trading; financing in an amount of RMB1.18 billion was provided for manufacturing enterprises through warehouse receipt services and basis trade, etc., to help ensure the stability of the industrial chain and supply chain; it undertook 7 "insurance + futures" projects, with a total underwriting amount of RMB223 million, benefiting 3,917 farmers. Hongyuan Futures continued to strengthen its compliance operations and maintained Class A Grade A rating in the classified evaluation.

(3) *Margin financing and securities lending business*

In 2020, the trading in the market was more active with an increase in clients' demand for margin financing and securities lending business. As at the end of 2020, the balance of margin financing and securities lending business was RMB1,619.008 billion, representing an increase of 58.84% over the end of last year.

During the Reporting Period, for the margin financing and securities lending business, the Company obtained the qualification of entrusted agency for the securities lending business of social security funds through increasing professional investors including quantitative private equity funds and investment, accelerating the institutional and product-oriented transformation of clients and took the initiative in building a securities lending management platform in the industry. As a result, the securities lending business achieved rapid development. As of the end of the Reporting Period, the balance of the margin financing and securities lending business of the Company was RMB80,843 million, representing an increase of 56.34% over the end of the previous year, and the market share was 4.99%. In particular, the balance of financing business was RMB70,391 million, representing an increase of 37.87% over the end of the previous year; the balance of securities lending business was RMB10,453 million, representing an increase of 1,495.88% over the end of the previous year, and the maintenance margin ratio of the Company's margin financing and securities lending business was maintained at 268.20% on average.

(4) *Stock-backed lending business*

In 2020, the market size of stock-backed lending business continued to decline. The business survival risk continued to be mitigated, and the incremental share pledge by the controlling shareholders of listed companies has further reduced.

During the Reporting Period, the Company's stock-backed lending business further strengthened project risk management and promoted the sound, healthy and sustainable development of business following the general development idea of "controlling the scale, adjusting the structure and promoting business". As of the end of the Reporting Period, the Company's stock-backed

lending business had a balance of RMB11,500 million, decreased by 53.04% over the end of the previous year. The collateral coverage ratio of stock-backed lending contracts of the Company was 212.87% on average.

(5) Sales of financial products business

The sales of financial products of the Company include selling financial products developed by ourselves and third parties, including asset management schemes, structured notes, mutual funds, private equity funds, trust plans and other financial products.

In 2020, the sales of financial product business of the Company focused on creation of equity products, vigorous development of strategic products including "fixed income +" products, quasi fixed income products and quantitative products, and continuous enrichment of supply of own products of the Company. Meanwhile, the Company intensified introduction and sales of high-quality third-party products including mutual funds and private equity funds, and continued to expand and consolidate product sales business. During the Reporting Period, the Company's total sales of our own financial products reached RMB148.12 billion, representing an increase of 131.80% over the last year, and the sales of third party financial products amounted to RMB110.314 billion, representing an increase of 136.76% over the last year.

3. Institutional Services and Trading Business

The institutional services and trading business include prime brokerage services, research and consultation, FICC sales and trading as well as equity sales and trading business and derivatives business. During the Reporting Period, the Company's institutional services and trading business recorded total revenue and other income of RMB20,921 million, representing a year-on-year increase of 21.87%.

(1) Prime brokerage business

The Company's prime brokerage services consist of trading units leasing, PB System and fund administration services.

In 2020, the institutional business of the Company focused on mutual funds, private equity funds, insurance, banks and large institutional customers, and utilised products to coordinate and integrate internal and external resources of the Company to provide customers with a comprehensive package of financial services including research, products and transactions, striving to build a whole business chain of institutional business. In respect of trading units leasing, in 2020, the revenue generated from units leasing amounted to RMB692 million, representing an increase of 64.18% over the previous year, and the market share was 4.12%; As for the PB System business, the Company standardised the development of PB trading system to achieve full-market and full-variety coverage. As of the end of 2020, there were 676 PB System customers with a total scale of RMB233.066 billion. In terms of fund administration services, the fund operation outsourcing service of the Company passed the ISAE3402 international certification for three consecutive years, there were 530 new mutual funds, private funds and custody and operation services under private asset management plan, the total size of new custody and operation services was 51.908 billion, and the size of the corresponding net assets was RMB54.166 billion.

(2) Research and consultant business

The Company carries out the research and consultant business principally through its controlled subsidiary SWS Research.

In 2020, SWS Research, adhering to "stabilising fundamentals and coordinating development", accelerated the integration of professional research, vigorously engaged in in-depth research, and continued to improve the quality of research and market influence centering on the core businesses of the head office. Internally, SWS Research solidly advanced the model of "joint development of business using the platforms built through research" to proactively coordinate with and support the development of the business lines of the Company; externally, it held a total of more than 20 professional conferences throughout the year, with nearly 12,000 participants including institutional customers and retail customers. While strengthening external support for policy research, it insisted on continuing to speak up for the healthy development of the capital market, and co-authored the "STAR Market White Paper 2020" in cooperation with the Central Radio and Television General Station and the Shanghai Stock Exchange and provided decision-making references for national agencies, regulatory authorities, and industry associations. The decision influence of the brand of Shenwan Hongyuan was further enhanced.

During the Reporting Period, SWS Research further ranked the top in the list of "The Most Influential Research Institutions" and the "Local Gold Medal Research Team" of the New Fortune, making it the only broker in the industry awarded with two heavyweight team awards for 18 consecutive times. In the Crystal Ball Awards For Chinese Sell-Side Analysts, it won the third place of "Local Gold Medal Research Team", and ranked the first for six consecutive years in the field of utility research and the first in the field of bank research; in the Second Section of Best Securities Analyst in Sina Finance and Economics, it ranked the third in the selection of best research institutions.

(3) Proprietary businesses

① FICC sales and trading business

In 2020, the domestic economy experienced a V-shaped rebound, the market liquidity was generally abundant, and the bond market fluctuated widely. As a response to the complex changes in the market, for the FICC sales and trading business, the Company endeavoured to seize market opportunities to make steady configuration and adjusted its portfolio structure dynamically. As a result, the investment yield of bond business surpassed the market index. The Company proactively developed innovative business to expand the scope of business, and the first credit protection contract creation business was implemented. During the Reporting Period, the Company successfully obtained a number of qualification for innovative businesses including the qualification of quotation repurchase business from the Shenzhen Stock Exchange; the qualification of core dealer of credit protection contract of the Shenzhen Stock Exchange and the qualification for matters in relation to conducting pilot cross-border business.

In addition, the Company was also awarded a number of awards for institutions (excluding individuals) including the "Best Contribution Institution for Non-Bank Underwriters of Local Government Bonds" granted by China Central Depository & Clearing Co., Ltd., the

"Active Trader in the Inter-bank Domestic Currency Market" granted by China Foreign Exchange Trading System, the "List of Excellent Institutions for Central Counterparty Clearing Business and Registration and Custody Settlement Business-Excellent Settlement Business Participants (Securities Institutions)" granted by Interbank Clearing House Co., Ltd., the "Excellent Underwriter of Local Government Bonds" granted by the Shanghai Stock Exchange the "Excellent Bond Investment and Trading Institution" and "Excellent Interest Rate Bond Underwriter" granted by the Shenzhen Stock Exchange, the "Best Inquiry Market Development Contribution Agency" granted by the Shanghai Gold Exchange, the "Outstanding Anti-epidemic Youth Commando" granted by the Working Committee of the Communist Youth League of Shanghai Financial System, and the "Excellent Trading Team Award of Treasury Bond Futures Market (Proprietary Category)" granted by China Financial Futures Exchange.

② Equity sales and trading business

In 2020, the Company's investment research system for equity sales and trading business was continuously optimized. While strengthening market research and judgment, through the optimization of the Company's derivatives business, the Company comprehensively utilized multiple derivatives instruments to continuously enrich risk hedging methods and effectively control market risks of investment portfolios, and further deepened the application of the latest technologies such as artificial intelligence to continue to develop diversified investment strategies and improve investment system, achieving better investment returns.

In addition, the Company also successfully obtained a number of innovative qualifications including the qualification of main market maker of the 50ETF options of the Shanghai Stock Exchange and the qualification of main market maker of the STAR Market ETF of the Shanghai Stock Exchange.

③ Derivatives business

In 2020, centering on capital intermediary business, the Company adopted on-the-exchange or OTC derivative financial instruments mainly for serving customers. Derivatives were continuously utilised to provide the market with effective risk management, wealth management and asset allocation tools, to provide professional investors with differentiated and one-stop integrated financial service solutions. During the Reporting Period, the Company's derivatives business customer groups, counterparties, product structure, application scenarios, etc. were further enriched. According to the latest statistics disclosed by the Securities Association of China, the increase in the Company's OTC options during the Reporting Period ranked the first in the industry, and the market ranking greatly improved.

In addition, the Company obtained a number of innovative qualifications including the qualification of primary dealers for OTC options business, the qualification for conducting pilot cross-border business, the qualification of market maker of natural rubber and petroleum asphalt of the Shanghai Futures Exchange, the qualification of market maker of corn futures of Dalian Commodity Exchange, the qualification of market maker of liquefied petroleum gas futures and options of Dalian Commodity Exchange, and the qualification of market maker of commodity futures of Zhengzhou Commodity Exchange.

4. Investment Management Business

The investment management business consists of asset management, mutual fund management and private equity fund management. During the Reporting Period, the Company's investment management business segment recorded total revenue and other income of RMB2,389 million, representing a year-on-year increase of 18.09%.

(1) Asset management business

The Company carries out the asset management business principally through Shenwan Hongyuan Securities, SWS MU, Shenwan Futures and Hongyuan Futures.

In 2020, for asset management business, the Company focused on professional reforms and enhancement and transformation of active management capabilities, and continuously consolidated the foundation of investment research system and improved product creation ability, asset appreciation ability and business extension ability, resulting in great achievements. During the Reporting Period, the overall investment performance of equity management products of the Company was brilliant and surpassed the Shanghai and Shenzhen 300 indexes for the same period from all aspects. Great achievements were made in respect of ABS projects. The Company issued a total of 14 ABS projects throughout the year, with a size of RMB18.889 billion. In particular, the PowerChina Nanguo quasi-REITs issued by the Company was the first anti-epidemic quasi-REITs of central state-owned enterprise in the PRC, laying a foundation for subsequent business development; through in-depth tapping of client demands and vigorous development of customized active management business, accumulative revenue from asset customization business exceeded RMB50 million. As at the end of the Reporting Period, the Company realised net income from asset management business of RMB1,322 million, maintaining its leading position in the industry.

In addition, the Company also won the "Golden Bull Asset Management Team" award of the Golden Bull Awards hosted by China Securities Journal and won the honor of "Golden Bull Brokers Collective Asset Manager" of the Golden Bull Awards for Asset Management Products of Brokers hosted by China Securities Journal again, and was granted the "Frontier Award" for real estate securitization for two consecutive years.

(2) Mutual fund management business

The Company carries out the mutual fund management business principally through its controlled subsidiaries Shenwan Hongyuan Securities and SWS MU and its invested company Fullgoal Fund.

In 2020, the Company, as one of the first seven securities traders for conducting pilot mutual fund investment advisory business, obtained the qualification for the pilot business on February 28, 2020. As of the end of the Reporting Period, a total of 6 fund investment advisory strategy portfolios have been launched. The size of the assets of 36,800 contracted clients reached RMB1.137 billion. SWS MU achieved good investment performance on the premise of effective risk control with the support of its seasoned investment research team. As of the end of the Reporting Period, the scale of mutual funds under its management increased by 80.23% from the end of the previous year. Adhering to the investment philosophy of "in-depth research, bottom-up, respect

for individuality, and long-term returns", Fullgoal Fund continuously polished its investment and research capabilities and maintained excellent overall investment performance. As of the end of the Reporting Period, the scale of mutual funds under management was RMB587.945 billion, ranking the top in the industry.

(3) Private equity fund management business

The Company carries out the private equity fund management business principally through Hongyuan Huifu and Shenyin & Wanguo Investment. It proactively promotes the market-oriented and professional reform of the organizations and business teams in the private equity fund sector, and further optimizes and perfects the "research + investment + investment banking" business model; it continues to strengthen cooperation with relevant listed groups and large central state-owned enterprises and vigorously develops various private equity fund business including industrial funds, M&A funds, and bailout funds, to comprehensively serve industrial transformation and upgrading.

The number of private equity funds under the management of Hongyuan Huifu increased by 7 throughout the year, and the increase in paid-in capital of funds was RMB3.4 billion; Hongyuan Huifu continued to deepen the coordination with the securities business lines, improved the comprehensive financial service model in key areas, and proactively promoted relevant bailout funds, information industry investment funds and other key projects; focusing on key industries including health care, transportation and logistics, financial technology, and high-end manufacturing, it collaborated with strategic customers to explore and develop products such as "fund of funds + direct investment", and actively promoted the quality and efficiency of private equity fund management business; in cooperation with Yibin State-owned Assets Supervision and Administration Commission, the first batch of "anti-epidemic" funds in the PRC with a scale of RMB2.02 billion were registered, and investment in a total amount of RMB1.65 billion was made in 10 small and medium-sized enterprises.

Shenyin & Wanguo Investment, through business synergy, proactively participated in the comprehensive financial service business chain of the Company by virtue of the positive effects of "investment + investment banking", vigorously strengthened business cooperation with large groups, listed companies and local governments, and focused on promoting the Company's strategic layout of setting up a science and technology investment fund in five clusters of major technological innovation enterprises, laying a foundation for the Company to proactively integrate into regional economic development and industrial transformation, and to fully tap project and customer resources.

(III) Business innovation

In 2020, the Company increased its efforts on product and business innovation in terms of enterprise finance, personal finance, institutional services and trading, investment management and other businesses, and achieved positive results.

In respect of enterprise finance, the Company, focusing on market hotspots and business opportunities in the trends, deployed and developed a full range of fixed-income financing businesses, to achieve a number of "first breakthroughs", including the first epidemic prevention and control bonds of securities company in the PRC, and the first publicly offered short-term corporate bonds as separately reported and

registered in the market, steadily pushing the Company forward in the field of integrated financial business. Meanwhile, three green bonds, two poverty alleviation bonds, one bailout bond and three bonds for small and micro enterprises were issued, contributing to the proactive implementation of the six stabilisations and six guarantees and the fulfillment of the social responsibilities of securities traders.

In terms of personal finance, during the Reporting Period, the Company seized opportunities for the rapid development of securities lending business, and created a variety of strategic securities lending products for different customer types and characteristics. At the same time, it further strengthened product innovation, enriched product types, and actively promoted wealth management transformation in accordance with investor needs.

As to institutional services and trading business, during the Reporting Period, the Company obtained a number of innovative qualifications including the qualification for quotation repurchase business of the Shenzhen Stock Exchange, the qualification for core dealer of credit protection contract of the Shenzhen Stock Exchange, the qualification for the matters in relation to conducting pilot cross-border business, the qualification of main market maker of the 50ETF options of the Shanghai Stock Exchange, the qualification of main market maker of the STAR Market ETF and OTC options of the Shanghai Stock Exchange, the qualification of market maker of natural rubber and petroleum asphalt of the Shanghai Futures Exchange, the qualification of market maker of corn futures of Dalian Commodity Exchange, the qualification of market maker of liquefied petroleum gas futures and options of Dalian Commodity Exchange, and the qualification of market maker of commodity futures of Zhengzhou Commodity Exchange, thus breaking many development bottlenecks and further improving the Company's overall integrated financial service capabilities.

In regard to investment management, the Company made significant progress in respect of asset management business ABS project. During the Reporting Period, the Company issued the first anti-epidemic quasi-REITs of central state-owned enterprise in the PRC; for mutual fund management business, during the Reporting Period, the Company became one of the first seven securities traders to be approved for conducting the mutual fund investment advisory business.

(IV) Impact of the COVID-19 pandemic

From the perspective of the industry situation, in 2020, due to the combined influence of multiple factors including the upswing of the SSE Composite Index and the SZSE Component Index, active trading, the implementation of the registration system of ChiNext Board, and the introduction of new refinancing regulations, the overall operating income and net profit of 135 securities companies in the industry showed a substantial growth trend, and the COVID-19 did not have a significant negative impact on the overall operating performance of the industry.

In view of the impact of the COVID-19, in 2020, the Company did its best to prevent and control the epidemic and ensure the safety of employees, while making every effort to proceed with operations and increase efficiency, striving to minimize the impact of the epidemic and maintain the work order and stability of the Company and the stability of the capital market. Under the leadership of the Party committee and the Board of Directors, the management of the Company closely relied on all cadres and employees to work hard and overcome difficulties, with a view to improving core competitiveness and development quality; the Company sought for breakthroughs through deepening the reform of the organizational structure and optimizing the system and mechanism; it increased efforts on the introduction of leading talents and training of internal talents; and exerted great efforts on accelerating the acquisition of new business licenses and

improving the income structure; it leveraged on the opportunities arising from the expansion of the capital market and businesses in the trends; obtained guarantees by optimizing asset allocation, strengthening performance supervision, and consolidating basic management. As a result, it overcame the impact of the epidemic and market fluctuations, and achieved substantial increase in operating results, and the high-quality development trend was initially established. The Company's specific measures in response to COVID-19 include but are not limited to: for online business processing, the Company immediately formulated a response plan, in which online transaction services, marketing promotion and investment advisory services were provided through the transaction system and APP. In respect of capital business, the Company prepared response plans for extreme business situations, and arranged personnel to conduct real-time tracking of the market. Risk control was more cautious; competent and experienced personnel were arranged for positions, making preparations for key positions, to effectively prevent market risks, operational risks and compliance risks. The middleground and background departments formulated work plans to ensure that critical guarantees and services were uninterrupted and error-free. In particular, more investigation was made on the capital needs of business, so as to provide liquidity support in a timely manner based on capital needs.

III. ANALYSIS OF FINANCIAL STATEMENTS

(I) Analysis of Consolidated Statements of Profit or Loss

1. Composition of Revenue

Unit: RMB'000

Item	2020	2019	Change in amount	Change in percentage (%)
Fee and commission income	**10,055,734**	7,540,211	2,515,523	33.36
Interest income	**11,905,870**	11,026,802	879,068	7.97
Net investment gains	**6,566,716**	5,325,874	1,240,842	23.30
Other income and gains	**10,628,053**	9,358,654	1,269,399	13.56
Total revenue and other income	**39,156,373**	33,251,541	5,904,832	17.76

In 2020, the Group achieved total revenue and other income of RMB39,156 million, representing a year-on-year increase of RMB5,905 million or 17.76%, mainly attributable to an increase in fee and commission income, net investment gains and other income and gains, which included:

(1) Fee and commission income of RMB10,056 million, representing a year-on-year increase of RMB2,516 million or 33.36%, mainly due to an increase in the fee income from the securities and futures brokerage business;

(2) Interest income of RMB11,906 million, representing a year-on-year increase of RMB879 million or 7.97%, mainly due to increase in the scale of investment in bonds held and the scale of margin financing and securities lending business and the year-on-year decrease in interest income due to the decrease in pledged securities repurchase business.

(3) Net investment gains of RMB6,567 million, representing a year-on-year increase of RMB1,241 million or 23.30%, mainly due to an increase in the income obtained during the period when the Company holds trading financial instruments.

(4) Other income and gains of RMB10,628 million, representing a year-on-year increase of RMB1,269 million, mainly due to a substantial increase in income from basis trading business of the futures subsidiaries. For details of other income and gains, please refer to note 7 to the financial statements in Section X.

2. Composition of Expenses

Unit: RMB'000

Item	2020	2019	Change in amount	Change in percentage (%)
Fee and commission expenses	**1,633,366**	1,130,550	502,816	44.48
Interest expenses	**8,299,675**	7,807,128	492,547	6.31
Staff costs	**6,896,980**	5,991,456	905,524	15.11
Depreciation and amortization expenses	**605,547**	553,870	51,677	9.33
Tax and surcharges	**162,749**	145,938	16,811	11.52
Other operating expenses	**11,686,187**	10,117,526	1,568,661	15.50
Assets impairment loss	**814,907**	859,980	-45,073	-5.24
—credit impairment loss	**798,302**	720,118	78,184	10.86
—other assets impairment loss	**16,605**	139,862	-123,257	-88.13
Total expenses	**30,099,411**	26,606,448	3,492,963	13.13

In 2020, the Group had total expenses of RMB30,099 million, representing a year-on-year increase of RMB3,493 million or 13.13%, mainly attributable to an increase in staff costs and other operating expenses, which included:

(1) Fee and commission expenses of RMB1,633 million, representing a year-on-year increase of RMB503 million or 44.48%, mainly due to an increase in fee for securities brokerage business;

(2) Interest expenses of RMB8,300 million, representing a year-on-year increase of RMB493 million or 6.31%, mainly due to an increase in interest income as a result of external financing scale;

(3) Staff costs of RMB6,897 million, representing a year-on-year increase of RMB906 million or 15.11%, mainly due to an increase in the cost of performance-based remuneration as a result of an increase in the Company's revenue;

(4) Other operating expenses of RMB11,686 million, representing a year-on-year increase of RMB1,569 million, mainly due to an increase in the cost of commodity sales of basis trading business; for details of other operating expenses, please refer to note 12 to the financial statements in Section X;

(5) Other expenses mainly included assets impairment loss, depreciation and amortization expenses and tax and surcharges.

(II) Analysis of Consolidated Statements of Cash Flows

As of December 31, 2020, the Group had cash and cash equivalents of RMB37,563 million, decreased by 3.56% as compared to RMB38,949 million for the corresponding period of 2019. From January to December of 2020, there was net cash outflow of RMB1,287 million for the change of cash and cash equivalents, up by RMB247 million as compared to RMB1,040 million of the net cash outflow for the corresponding period of 2019. Among these, the net cash outflow used for operating activities between January and December of 2020 amounted to RMB34,741 million, up by RMB33,737 million as compared to RMB1,004 million of the net cash outflow used for the operating activities for the corresponding period of 2019, mainly due to a year-on-year increase in cash paid for purchase of financial instruments at fair value through profit or loss, an increase in payment for financial assets sold under repurchase agreements and a year-on-year increase in cash paid for margin accounts receivable used for repayment of debts; the net cash outflow used for investing activities between January and December of 2020 amounted to RMB11,847 million, up by RMB4,246 million as compared to RMB7,601 million of the net cash outflow used for the investing activities for the corresponding period of 2019, mainly due to a year-on-year increase in the cash outflow used for restricted bank deposits, a year-on-year decrease in the cash paid for purchasing financial assets measured at fair value through other comprehensive income, a year-on-year increase in cash paid for investment in associates and joint ventures and a year-on-year decrease in cash from disposal of financial assets measured at amortized cost; and the net cash inflow from financing activities between January and December of 2020 amounted to RMB45,301 million, up by RMB37,736 million as compared to RMB7,564 million of the net cash inflow from financing activities for the corresponding period of 2019, mainly due to a year-on-year increase in cash from issuance of short-term financing instruments.

(III) Analysis of Consolidated Statements of Financial Position

Unit: RMB'000

Item	December 31, 2020 Amount	December 31, 2020 Percentage (%)	December 31, 2019 Amount	December 31, 2019 Percentage (%)	Increase/Decrease Amount	Increase/Decrease Percentage (%)
Non-current assets						
Property and equipment	**1,295,289**	**0.26**	1,279,391	0.33	15,898	1.24
Right-of-use assets	**864,682**	**0.18**	793,825	0.20	70,857	8.93
Investment properties	**56,951**	**0.01**	99,724	0.03	-42,773	-42.89
Other intangible assets	**187,903**	**0.04**	143,715	0.04	44,188	30.75
Interest in associates and joint ventures	**4,706,514**	**0.96**	2,489,250	0.64	2,217,264	89.07
Financial assets measured at amortized cost	**2,478,236**	**0.50**	2,006,679	0.52	471,557	23.50
Financial assets at fair value through other comprehensive income	**9,071,823**	**1.85**	9,457,210	2.43	-385,387	-4.08
Financial assets held under resale agreements	**3,412,480**	**0.69**	9,335,549	2.40	-5,923,069	-63.45
Financial assets at fair value through profit or loss	**11,951,891**	**2.43**	5,203,804	1.34	6,748,087	129.68
Refundable deposits	**18,347,661**	**3.74**	8,878,241	2.29	9,469,420	106.66
Deferred tax assets	**2,206,892**	**0.45**	1,833,395	0.47	373,497	20.37
Other non-current assets	**106,012**	**0.02**	171,645	0.04	-65,633	-38.24
Total non-current assets	**54,686,334**	**11.13**	41,692,428	10.73	12,993,906	31.17

Unit: RMB'000

Item	December 31, 2020 Amount	December 31, 2020 Percentage (%)	December 31, 2019 Amount	December 31, 2019 Percentage (%)	Increase/Decrease Amount	Increase/Decrease Percentage (%)
Current assets						
Accounts receivable	**3,088,616**	**0.63**	1,968,153	0.51	1,120,463	56.93
Other receivables and prepayments	**3,333,395**	**0.68**	2,598,927	0.67	734,468	28.26
Margin accounts receivable	**74,212,401**	**15.11**	53,048,414	13.65	21,163,987	39.90
Financial assets measured at amortized cost	**3,973,967**	**0.81**	5,306,046	1.37	-1,332,079	-25.10
Financial assets at fair value through other comprehensive income	**57,282,609**	**11.66**	44,017,312	11.33	13,265,297	30.14
Financial assets held under resale agreements	**23,247,258**	**4.73**	29,915,390	7.70	-6,668,132	-22.29
Financial assets at fair value through profit or loss	**152,615,966**	**31.07**	110,024,423	28.32	42,591,543	38.71
Derivative financial assets	**1,650,558**	**0.34**	481,835	0.12	1,168,723	242.56
Clearing settlement funds	**5,974,014**	**1.22**	3,230,861	0.83	2,743,153	84.90
Cash held on behalf of brokerage clients	**88,136,292**	**17.95**	71,197,312	18.32	16,938,980	23.79
Cash and bank balances	**22,922,867**	**4.67**	25,056,167	6.45	-2,133,300	-8.51
Total current assets	**436,437,943**	**88.87**	346,844,840	89.27	89,593,103	25.83
Total assets	**491,124,277**	**100.00**	388,537,268	100.00	102,587,009	26.40

Unit: RMB'000

Item	December 31, 2020 Amount	December 31, 2020 Percentage (%)	December 31, 2019 Amount	December 31, 2019 Percentage (%)	Increase/Decrease Amount	Increase/Decrease Percentage (%)
Current liabilities						
Loans and borrowings	**4,346,935**	**1.08**	1,461,734	0.48	2,885,201	197.38
Short-term debt instruments issued	**40,505,069**	**10.10**	17,065,153	5.62	23,439,916	137.36
Placements from other financial institutions	**4,430,000**	**1.10**	10,315,074	3.40	-5,885,074	-57.05
Accounts payable to brokerage clients	**2,876,775**	**0.72**	383,170	0.13	2,493,605	650.78
Employee benefits payable	**97,535,040**	**24.32**	77,053,335	25.37	20,481,705	26.58
Other payables and accruals	**2,134,241**	**0.53**	1,650,821	0.54	483,420	29.28
Contract liabilities	**19,899,974**	**4.96**	15,044,688	4.95	4,855,286	32.27
Current tax liabilities	**676,286**	**0.17**	695,722	0.23	-19,436	-2.79
Financial assets sold under repurchase agreements	**103,314,547**	**25.76**	83,943,834	27.64	19,370,713	23.08
Lease liabilities	**368,729**	**0.09**	286,190	0.09	82,539	28.84
Financial liabilities at fair value through profit or loss	**2,221,291**	**0.55**	614,656	0.20	1,606,635	261.39
Derivative financial liabilities	**141,791**	**0.04**	115,369	0.04	26,422	22.90
Long-term bonds due within one year	**20,634,609**	**5.16**	21,549,900	7.10	-915,291	-4.25
Total current liabilities	**299,085,287**	**74.58**	230,179,646	75.79	68,905,641	29.94

Unit: RMB'000

Item	December 31, 2020 Amount	December 31, 2020 Percentage (%)	December 31, 2019 Amount	December 31, 2019 Percentage (%)	Increase/Decrease Amount	Increase/Decrease Percentage (%)
Non-current liabilities						
Placements from other financial institutions	**—**	**—**	636,000	0.21	-636,000	-100.00
Long-term bonds	**97,533,336**	**24.32**	70,185,304	23.11	27,348,032	38.97
Non-current employee benefits payable	**3,044,380**	**0.76**	2,025,967	0.67	1,018,413	50.27
Deferred tax liabilities	**2,148**	**—**	2,558	—	-410	-16.03
Lease liabilities	**494,091**	**0.12**	493,541	0.16	550	0.11
Financial liabilities at fair value through profit or loss	**575,162**	**0.14**	1,000	—	574,162	57,416.20
Other non-current liabilities	**299,283**	**0.08**	181,845	0.06	117,438	64.58
Total non-current liabilities	**101,948,400**	**25.42**	73,526,215	24.21	28,422,185	38.66
Total liabilities	**401,033,687**	**100.00**	303,705,861	100.00	97,327,826	32.05
Share capital	**25,039,945**	**27.79**	25,039,945	29.52	—	—
Reserves	**36,240,691**	**40.23**	34,702,070	40.90	1,538,621	4.43
Retained profits	**27,183,981**	**30.18**	23,464,175	27.66	3,719,806	15.85
Total equity attributable to shareholders of the Company	**88,464,617**	**98.20**	83,206,190	98.08	5,258,427	6.32
Non-controlling interests	**1,625,973**	**1.80**	1,625,217	1.92	756	0.05
Total equity	**90,090,590**	**100.00**	84,831,407	100.00	5,259,183	6.20

(1) As of December 31, 2020, the Group had total non-current assets of RMB54,686 million, representing an increase of RMB12,994 million from the beginning of the year, mainly due to an increase in refundable deposits of RMB9,469 million from the beginning of the year, an increase in financial assets at fair value through profit or loss of RMB6,748 million from the beginning of the year, a decrease in financial assets held under resale agreements of RMB5,923 million from the beginning of the year, and an increase in interest in associates and joint ventures of RMB2,217 million from the beginning of the year. As of December 31, 2020, the Group had total non-current liabilities of RMB101,948 million, representing an increase of RMB28,422 million from the beginning of the year, mainly due to an increase in long-term bonds of RMB27,348 million from the beginning of the year and an increase in long-term employee benefits payable of RMB1,018 million from the beginning of the year.

(2) As of December 31, 2020, the Group had total current assets of RMB436,438 million, representing an increase of RMB89,593 million from the beginning of the year, mainly due to an increase in financial assets at fair value through profit or loss of RMB42,592 million from the beginning of the year, an increase in margin accounts receivable of RMB21,164 million from the beginning of the year, an increase in cash held on behalf of brokerage clients of RMB16,939 million from the beginning of the year, and an increase in financial assets at fair value through other comprehensive income of RMB13,265 million from the beginning of the year. As of December 31, 2020, the Group had total current liabilities of RMB299,085 million, representing an increase of RMB68,906 million from the beginning of the year, mainly due to an increase in short-term debt instruments issued of RMB23,440 million from the beginning of the year, an increase in accounts payable to brokerage clients of RMB20,482 million from the beginning of the year, an increase in financial assets sold under repurchase agreements of RMB19,371 million from the beginning of the year.

(IV) Changes in the Scope of Consolidation of Financial Statements

In 2020, there were no material changes in the scope of consolidation of the Group.

(V) Changes in Significant Accounting Policies and Accounting Estimates

During the Reporting Period, the Company's accounting policies and accounting estimates did not changed. For details, please refer to Note "2(5) Changes in significant accounting policies" to Section X financial statements. There was no significant accounting errors requiring rectification occurred in the Company.

(VI) Restricted Asset Rights as of the End of the Reporting Period

1. For assets with restricted ownership or use rights as of the end of the Reporting Period, please refer to Note 18, 25, 27 and 37 to Section X financial statements.

2. As at the end of the Reporting Period, the Company did not have pledge of material assets.

IV. ANALYSIS OF FINANCING INSTRUMENTS AND STRUCTURE OF LONG- AND SHORT-TERM LIABILITIES

1. Financing channels of the Company

The Company's major financing channels include interbank lending, bond repurchase, structured notes, corporate bonds, subordinated bonds, short-term corporate bonds, short-term financing bills, margin loans receivable backed repurchase agreement, ABS, refinancing, long- and short-term borrowings and equity financing. In accordance with relevant laws and regulations, the Company may utilize financing of different terms based on its own funding needs to support its business development.

2. Analysis of the structure of long- and short-term liabilities of the Company

Unit: RMB'000

Item	End of 2020	End of 2019
Loans and borrowings	**4,346,935**	1,461,734
Short-term debt instruments issued	**40,505,069**	17,065,153
Placements from other financial institutions	**4,430,000**	10,951,074
Long-term bonds (including Long-term bonds due within one year)	**118,167,945**	91,735,204
Total:	**167,449,949**	121,213,165

In the above liabilities, RMB97,533 million had a financing period of more than one year while RMB69,917 million less than one year, accounting for 58.25% and 41.75% of the aforesaid debt, respectively. As of the end of the Reporting Period, the Company had no outstanding debts overdue, and it had sound overall solvency and its liquidity risks were controllable.

3. Liquidity management policies and measures of the Company

The Company has established a comprehensive risk management system and liquidity risk management mechanism based on the management goal of "strengthening the self-owned funds management, safeguarding the security of self-owned funds, improving the efficiency of using self-owned funds and controlling the risk of using self-owned funds". The Company has also continuously improved its liquidity reserve management system and focused on the matching of assets and liabilities in terms of scale, duration and structure to enhance the diversity of financing channels and conducted emergency drills for liquidity risk, effectively preventing liquidity risks. During the Reporting Period, the Company maintained sufficient liquidity reserve, and the regulatory indicators such as liquidity coverage ratio and net stable funding ratio were in compliance with regulatory standards.

4. Analysis of financing capabilities of the Company

The Company has formed an integrated financing system comprising various financing methods, such as interbank lending in the interbank market, bond repurchases in the interbank market and exchange market, issuance of short-term financing bonds of securities companies, issuance of financial bonds, issuance of corporate bonds, issuance of subordinated bonds and transfer of the right of return on bonds of financing business, placements from China Securities Finance Corporation Limited and issuance of structured notes. The Company operates in a compliant manner with a good reputation and credit record, and it also maintains good cooperative relations with commercial banks and has sufficient bank credit limits and strong profitability and solvency. Therefore, the Company has robust short-term and long-term financing capabilities.

V. INVESTMENTS

(I) Interest in associates and joint ventures

Unit: RMB'000

Investment during the Reporting Period	Investment in the same period of the previous year	Change (%)
4,706,514	2,489,250	89.07

(II) Material equity investment acquired during the Reporting Period

No material equity investments were acquired by the Company during the Reporting Period.

(III) Ongoing material non-equity investment during the Reporting Period

No material non-equity investments by the Company were in progress during the Reporting Period.

(IV) Investments in Financial Assets

1. Investments in securities

Unit: RMB'0,000

Security type	Security code	Security abbreviation	Initial investment cost	Accounting measurement model	Beginning book value	Gains and losses from changes in fair value during the period	Accumulated fair value changes included in equity	Current purchase amount	Current sales amount	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	–	14,927.14	–	–	–	670,200.73	Financial assets at fair value through other comprehensive income	Self-owned funds
Asset management scheme	113914	Rongtong Fund Shenwan Hongyuan Securities No. 1 Collective Asset Management Scheme	617,949.63	Fair value	–	5,085.40	–	631,092.63	13,143.00	5,148.03	623,035.03	Financial assets at fair value through profit or loss	Self-owned funds
Asset management scheme	E1ZX01	Caida Yanshan Zhixuan FOF No. 1 Single Asset Management Scheme	249,610.88	Fair value	–	11,113.72	–	284,465.00	34,854.12	12,394.96	260,724.60	Financial assets at fair value through profit or loss	Self-owned funds
Bonds	117125	19 Zhaoshang EB	239,000.00	Fair value	257,407.86	-11,764.38	–	–	–	-11,644.88	245,643.48	Financial assets at fair value through profit or loss	Self-owned funds
Shares	002415	Hik Vision	188,387.51	Fair value	128.67	27,774.43	–	402,455.04	214,192.30	63,587.48	216,166.75	Financial assets at fair value through profit or loss	Self-owned funds
Asset management scheme	SLS119	Dongxing Liangcai FOF No. 1 Single Asset Management Scheme	168,983.25	Fair value	–	3,391.93	–	169,243.17	259.91	3,392.18	172,375.19	Financial assets at fair value through profit or loss	Self-owned funds
Fund	310339	SWS MU Currency B	181,379.96	Fair value	254,343.68	1,543.70	–	305,390.39	379,836.29	439.57	181,489.71	Financial assets at fair value through profit or loss	Self-owned funds
Bonds	117163	20 Zhaoguang EB	80,000.00	Fair value	–	60,979.98	–	80,002.38	–	60,982.36	140,982.36	Financial assets at fair value through profit or loss	Self-owned funds
Bonds	010007	01 Treasury Bonds 7	129,934.88	Fair value	184,679.52	10,986.25	–	66,587.01	131,976.26	18,069.83	130,276.52	Financial assets at fair value through profit or loss	Self-owned funds
Bonds	147323	18 Shandong 07	101,474.01	Fair value	104,584.80	-556.71	–	–	1,039.61	3,203.97	102,988.48	Financial assets at fair value through profit or loss	Self-owned funds
Other securities investments held at the end of the period			20,948,389.32	–	16,145,129.22	-12,605.62	-72,042.62	205,388,854.73	200,533,521.63	866,675.74	20,993,566.26	–	–
Total			**23,544,109.44**	**–**	**17,601,547.34**	**95,948.70**	**-57,115.48**	**207,328,090.35**	**201,308,823.12**	**1,022,249.24**	**23,737,449.11**	**–**	**–**

Notes: 1. This table includes financial assets including domestic and overseas shares, funds, bonds and trust products measured at fair value and amortized cost held during the Reporting Period respectively.

2. This table is sorted by the ratio of the book value at the end of the period to the total securities investment of the Company at the end of the period and only contains the top ten securities held by the Company at the end of the period.

3. Other securities investments refer to investments in other securities other than the top ten securities.

2. *(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, operational risks and legal risks)	The subsidiaries of the Company have obtained qualifications to conduct relevant business. 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 and OTC derivatives business. During the Reporting Period, the investment business in derivative products undertaken by the Company fully complied with the requirements of the CSRC, the Securities Association of China and China Financial Futures Exchange. The Company has not breached any law or regulation during the standard operation and the risks are under control. In order to ensure standard operation of the proprietary business on derivatives and avoid business risks, the Company adopted rules and regulations such as the administrative measures on relevant business as standards, followed business plans and commenced the business through analyzing and controlling market risks, liquidity risks, credit risks, operational risks and legal risks.

The change of the market price of derivatives invested or the fair value of products during the Reporting Period. Specific usage and settings of relevant assumptions and parameters shall be disclosed when analyzing the fair value of derivatives	As of the end of the Reporting Period, the gain or losses on the fair value change of treasury bond futures contract held was RMB30.0329 million; the gain or losses on the fair value change of interest rate swap was RMB120.4295 million; the gain or losses on the fair value change of stock index futures was RMB73.0136 million; the gain or losses on the fair value change of AUTD was RMB-35.3743 million; and the gain or losses on the fair value change of other commodity futures was RMB42.9721 million. Derivative financial instruments were initially recognized at fair value as of the execution date of derivatives transaction contract and subsequently measured at its fair value. Derivative financial instruments are recognized 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 models generally adopted in the market. The data of valuation models shall use observable market data wherever possible. 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	No material changes.

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 investment business in derivative products undertaken by the Company fully complied with the requirements of the CSRC, the Securities Association of China and China Financial Futures Exchange. As of the end of the Reporting Period, the value of interest rate derivative instrument contract held was RMB135,297 million, representing 150.18% of the net assets of the Company as of the end of the Reporting Period; the value of equity derivative instrument contract held was RMB140,744 million, representing 156.22% of the net assets of the Company as of the end of the Reporting Period; the value of commodity derivative instrument contract held was RMB41,837 million, representing 46.44% of the net assets of the Company as of the end of the Reporting Period. the value of credit derivative instrument contract held was RMB280 million, representing 0.31% of the net assets of the Company as of the end of the Reporting Period; such business is not detrimental to the interests of the Company and its shareholders as a whole. The investment in derivatives by the Company and its subsidiaries is in line with relevant regulatory requirements. The risks are under control and the operations of the subsidiaries are also in compliance with requirements of relevant regulatory indicators of the regulatory department. Such businesses are not detrimental to the interests of the Company and its shareholders as a whole.

(2) Positions of derivatives investments at the end of the Reporting Period

Unit: RMB'0,000

Name of derivative investment operator	Related party relationship	Related party transaction or not	Derivative investment type	Initial investment amount of derivative investment	Effective date	Expire date	Investment amount at the beginning of the Reporting Period	Purchase amount during the Reporting Period	Amount sold during the Reporting Period	Amount of provision for impairment	Investment amount at the end of the Reporting Period	The proportion of investment amount at the end of the Reporting Period to net assets of the Company at the end of the Reporting Period	Actual profit and loss amount during the Reporting Period
Open market	N/A	No	Interest rate derivative instrument	8,596,474.85	2016/4/19	2025/12/31	8,596,474.85	44,353,313.93	39,420,062.67	–	13,529,726.12	150.18%	-10,303.75
Banks, private equity funds, open market	N/A	No	Equity derivative instrument	8,192,353.48	2019/2/20	2023/1/3	8,192,353.48	16,784,026.89	10,902,014.21	–	14,074,366.16	156.22%	10,638.21
Open market, banks, trading companies, etc.	N/A	No	Commodity derivative instrument	1,086,614.79	2020/1/1	2021/11/16	1,086,614.79	17,377,979.95	14,280,899.33	–	4,183,695.41	46.44%	-39,158.09
OTC market	N/A	No	Credit derivative instrument	–	2020/12/2	2021/11/30	–	28,000.00	–	–	28,000.00	0.31%	-39.64
Total				17,875,443.12	–	–	17,875,443.12	78,543,320.77	64,602,976.21	–	31,815,787.69	353.15%	-38,863.27

(V) Use of Proceeds from the Initial Public Offering of the H Shares on the Hong Kong Stock Exchange

In order to meet the Company's business development needs and further enhance its corporate governance and core competitiveness, the Company issued H Shares and such H Shares were listed and traded on the Main Board of the Hong Kong Stock Exchange on April 26, 2019, as approved by the Reply Regarding Approval for Issuance of Overseas Listed Foreign Shares by Shenwan Hongyuan Group Co., Ltd. (Zheng Jian Xu Ke [2019] No. 393) (《關於核准申萬宏源集團股份有限公司發行境外上市外資股的批覆》（證監許可[2019]393號）) issued by the CSRC in March 2019 and by the Hong Kong Stock Exchange. The total number of the H Shares issued under the public offering and the international offering was 2,504,000,000 shares, the offer price was HK$3.63 per share. The total amount of proceeds (total subscription amounts less transaction fees) was HK$9,088,746,465.99 (equivalent to RMB7,798,417,130.21). According to the H Share prospectus, approximately 50% of the net proceeds from issuance of the H Shares will be used for the development of securities businesses, approximately 30% for principal investments and approximately 20% for further development of international business. As of December 31, 2020, the use of proceeds raised by issuance of the H Shares is as follows: the Company made an exchange settlement of HK$7,142,910,984.24 (equivalent to RMB6,269,612,338.28) and the outstanding amount of exchange settlement was HK$1,755,800,000.00. According to the intended use of approximately 50% of the net proceeds from issuance of H Shares for the development of securities businesses, the relevant matter on injecting RMB4 billion into the registered capital of its securities subsidiary, Shenwan Hongyuan Securities, was considered and approved at the 41st meeting of the fourth session of the Board of Directors of the Company. Upon completion of such capital increase, the registered capital of Shenwan Hongyuan Securities was increased from RMB43 billion to RMB47 billion. The relevant procedures for industrial and commercial registration of changes have been completed. At the 45th meeting of the fourth

session of the Board of Directors of the Company, it was considered and approved to increase the registered capital of Shenwan Hongyuan Securities by the Company with the proceeds raised overseas in an amount of no more than RMB1.6 billion (upon completion of capital increase, Shenwan Hongyuan Securities conducted capital increase to Shenwan Hongyuan (International) Holdings Limited accordingly), and Shenwan Hongyuan Securities was approved to amend the relevant articles on registered capital in the Articles of Association of Shenwan Hongyuan Securities Co., Ltd. depending on the completion of the capital increase and was authorised to proceed with the relevant amendments to the articles of association, relevant procedures for industrial and commercial registration of changes in registered capital, application to the regulatory authorities for approval or filing, etc. The use of proceeds under the Company's H Share proceeds plan was consistent with the disclosures in the prospectus during the Reporting Period, with no changes. The Company will continue to use the proceeds raised from the issuance of H Shares in accordance with its development strategy, the market conditions and H Share proceeds utilization plan. The plan on use of proceeds from offering of H Shares is set out in the table below:

Use		Amount used as at December 31, 2020 (RMB million)	Balance as at December 31, 2020 (RMB million)	Expected time for use of the remaining proceeds from the initial public offering (note)	Business developed
(1)	**Securities business:**				
(i)	development of enterprise finance business to satisfy the financing needs of M&A clients, and to provide one-stop investment banking service solutions for enterprise clients;	4.00	0.00	—	Mainly used for investment banking business
(ii)	development of personal finance business to satisfy the increasing wealth management needs of clients	20.00	0.00	—	Mainly used for credit business, institutional business, wealth management, etc.
(iii)	development of institutional services and trading business to satisfy the comprehensive financial services needs of clients	10.00	0.00	—	Mainly used for securities investment business, financial derivatives business, etc.
(iv)	development of investment management business to continuously improve market brand	4.00	0.00	—	Mainly used for asset management business
(v)	investing in financial technology to develop data mining, improve client experience, strengthen risk control and enhance operation efficiency	2.00	0.00	—	Mainly used for fintech business

Use	Amount used as at December 31, 2020 (RMB million)	Balance as at December 31, 2020 (RMB million)	Expected time for use of the remaining proceeds from the initial public offering (note)	Business developed
(2) Principal investments				
focusing on debt investment to satisfy the financing needs of high-quality corporate clients and support the transformation and development of the economy	5.46	0.00	—	Mainly used to carry out debt investment business
making direct equity investment, investing in third party private equity funds as limited partners and injecting capital into our investment subsidiaries	17.53	0.00	—	Mainly used for direct equity investment and third-party private equity business
(3) Development of international businesses				
(i) providing capital for our overseas subsidiaries;	—Note	15.27Note	Relevant approval procedures are in progress	Mainly used for development of international businesses
(ii) forming cross-border funds, cooperating with overseas institutions to develop crossborder investment management business, creating cross-border products and allocate proprietary cross-border products, etc.				
Total	**62.99**	**15.27**		

Notes: 1. The balance of HK$1,798 million is used for development of international businesses, and Shenwan Hongyuan Securities proposes to make a capital increase which is subject to approval.

2. The amount used and balance include principal and interests.

VI. MATERIAL DISPOSAL OF ASSETS AND EQUITY INTERESTS

During the Reporting Period, the Company had no material disposal of any assets and equity interests.

VII. ANALYSIS OF MAJOR SUBSIDIARIES AND INVESTEES

(I) Major subsidiaries

Unit: RMB

Name of Companies	Type of Companies	Principal Businesses	Registered Capital	Total Assets	Net Assets	Net Profit
Shenwan Hongyuan Securities Co., Ltd.	Wholly-owned subsidiary	Securities brokerage, securities investment consulting service, margin financing and securities lending, agency sale of financial products, securities assets management, securities underwriting and sponsoring and securities proprietary business	47,000,000,000	453,732,503,204.77	82,732,374,402.82	7,956,753,953.35
Shenwan Hongyuan Industrial Investment Management Company Limited	Wholly-owned subsidiary	Investment, assets management and investment consulting service. (For the special projects subject to approval according to law, they can be carried out only after approval from relevant departments)	200,000,000	507,057,743.15	205,103,270.84	30,285,334.01
Hongyuan Huizhi Investment Co., Ltd.	Wholly-owned subsidiary	Investment, assets management, investment management, corporate management consulting service and investment consulting service	2,000,000,000	5,516,220,508.33	2,264,165,577.89	155,021,237.61
Hongyuan Futures Co., Ltd.	Wholly-owned subsidiary	Commodity futures brokerage, financial futures brokerage and futures investment consulting service	1,000,000,000	11,988,055,631.95	1,376,159,741.29	127,644,155.50
Hongyuan Huifu Capital Co., Ltd.	Wholly-owned subsidiary	Entrepreneurship investment, entrepreneurship investment consulting service, provision of entrepreneurial management service for start-up enterprises and participation in setting up entrepreneurial investment enterprises and entrepreneurial investment management advisory institutions	500,000,000	606,730,472.89	576,245,807.84	20,699,892.70
Shenyin & Wanguo Investment Co., Ltd.	Wholly-owned subsidiary	Private equity fund	1,000,000,000.00	1,306,488,427.98	1,145,285,733.07	50,180,832.94
Shenyin & Wanguo Alternative Investment Co., Ltd.	Wholly-owned subsidiary	Investment management, consulting service, advisory services	2,000,000,000.00	2,330,597,811.18	2,307,610,010.32	110,855,204.2
SWS MU Fund Management Co., Ltd.	Controlling subsidiary	Fund management, initiating the establishment of funds and other businesses approved by the CSRC (including sales of funds established by it)	150,000,000.00	1,303,146,424.00	983,741,529.00	103,810,333.00
SWS Research Co., Ltd.	Controlling subsidiary	Investment consulting business	20,000,000.00	216,004,477.07	78,749,992.81	110,075.67

Name of Companies	Type of Companies	Principal Businesses	Registered Capital	Total Assets	Net Assets	Net Profit
Shenwan Hongyuan (International) Holdings Limited	Wholly-owned subsidiary	Investment holdings	HK$2,253,398,812.18	HK$16,619,514,030.85	HK$4,475,112,292.42	HK$124,886,170.14
Shenwan Futures Co., Ltd.	Controlling subsidiary	Commodity futures brokerage, financial futures brokerage, futures investment consulting service, assets management and fund sales	1,119,371,400.00	23,075,306,980.72	2,490,931,617.96	233,867,480.76
Shenwan Hongyuan Securities (Western) Co., Ltd.	Wholly-owned subsidiary	Securities brokerage, securities investment consulting, margin financing and securities lending, agency sales of financial products, agency sales of securities investment funds, provision of intermediate introduction business for futures companies, securities proprietary business, etc.	4,700,000,000.00	14,779,698,439.90	6,408,776,565.28	636,781,270.37
Shenwan Hongyuan Financing Services Co., Ltd.	Wholly-owned subsidiary	Securities underwriting and sponsoring, financial advisory in relation to securities transactions and securities investment activities, etc.	1,000,000,000.00	2,720,479,888.46	1,818,450,824.81	312,769,924.99

(II) Investees

Unit: RMB

Name of Companies	Type of Companies	Principal Businesses	Registered Capital	Total Assets	Net Assets	Net Profit
Fullgoal Fund Management Co., Ltd.	Investee	Fund raising, securities investment, fund management, fund sales, specific customer asset management	520,000,000	8,745,650,037.51	5,215,009,115.37	1,651,623,060.24
Horgos Tianshan No. 1 Industrial Investment Fund Limited Partnership	Investee	Equity investment, industrial investment and related investment consulting and management services (for the projects subject to approval according to law, they can be carried out only after approval by relevant departments)	1,510,000,000	413,847,037.99	382,419,091.81	-819,751,189.88

VIII. ACQUISITION AND DISPOSAL OF SUBSIDIARIES, BRANCH COMPANIES AND SECURITIES BRANCHES DURING THE REPORTING PERIOD

1. Acquisition and disposal of subsidiaries and branch companies during the Reporting Period

During the Reporting Period, the Company did not dispose of any subsidiaries or acquire or dispose of any branch companies or any subsidiaries.

During the Reporting Period, in order to clean up and standardize the management level of the Company's subsidiaries, Shenwan Hongyuan Industrial Investment cleaned up Ningxia Shenhong Modern Agricultural Industry Fund Management Co., Ltd., and Hongyuan Huifu cleaned up Hunan Development Shenhong Private Equity Fund Management Co., Ltd. through capital reduction.

2. The establishment and cancellation of the securities subsidiaries, branch companies and securities branches by Shenwan Hongyuan Securities, a subsidiary of the Company, are as follows:

(1) During the Reporting Period, Shenwan Hongyuan (International) Holdings Limited, a wholly-owned overseas subsidiary of Shenwan Hongyuan Securities, acquired the entire equity interest in First Million Holdings Ltd., a wholly-owned subsidiary of Shenwan Hongyuan (H.K.) Limited, at a consideration of HK$28 million.

(2) During the Reporting Period, Shenwan Hongyuan Securities cancelled 4 subsidiaries, i.e. Shenwan Hongyuan Securities (United States) Inc., The NCHK Highway (Chengdu Mianyang) Limited, Evercheer Holdings Limited and Shenwan Hongyuan (Europe) Limited. The cancellation has no major impact on the operations and businesses of the Company.

(3) During the Reporting Period, Shenwan Hongyuan Securities established Shenwan Hongyuan Suzhou Branch.

(4) During the Reporting Period, Shenwan Hongyuan Securities established 4 securities branches: Shenzhen Zhongxin Road Securities Branch (深圳中心路證券營業部), Shenzhen Binhai Avenue Securities Branch (深圳濱海大道證券營業部), Weifang Shengli East Street Securities Branch (濰坊勝利東街證券營業部) and Ganzhou Changzheng Avenue Securities Branch (贛州長徵大道證券營業部). In addition, the establishment of 6 securities branches, including 2 in Shenzhen City, Guangdong Province, 1 in Xuzhou City, Jiangsu Province, 1 in Lishui City, Zhejiang Province, 1 in Hetian City, Xinjiang Uygur Autonomous Region and 1 in Chongqing, is in preparation.

(5) During the Reporting Period, Shenwan Hongyuan Securities closed down 6 securities branches: Karamay Youyi Road South Securities Branch (克拉瑪依友誼路南證券營業部), Songyuan Wulan Street Securities Branch (松原烏蘭大街證券營業部), Korla Limin Road Securities Branch (庫爾勒利民路證券營業部), Guilin Zhongshan South Road Securities Branch (桂林中山南路證券營業部), Yulin Minzhu Middle Road Securities Branch (玉林民主中路證券營業部) and Wuzhou Xidi Third Road Securities Branch (梧州西堤三路證券營業部). In addition, 3 securities branches including Fuyang Jiangbin West Avenue Securities Branch (富陽江濱西大道營業部), Sanmen Zhaohui Road Securities Branch (三門朝暉路證券

營業部) and Tongxiang Puyuan Town Gongmao Avenue Securities Branch (桐鄉濮院鎮工貿大道證券營業部) are in the progress of cancellation.

(For details of branch companies and securities branches, please refer to "XXV. Organisation of the Company" in "Section V Significant Events" in this annual report.)

3. The structured entities under control of the Company

The Company manages or invests in a number of structured entities, mainly including funds, wealth management products of banks, asset management schemes and trust schemes. In order to assess whether the Company has control over the structured entities, it mainly considers the extent of decision making and participation in establishing relevant structured entities, the aggregated economic interest (including the gain from holding a direct investment and expected remuneration) set out in the contractual arrangement, as well as the scope of decision making authority over the structured entities. If the Company determined that it has power over, has exposure to variable returns from its involvement with, and has ability to use its power to affect the amount of its returns from the structured entities, it will include the structured entities in the consolidated financial statement as the Company has control over the structured entities.

As at December 31, 2020, the net assets of the consolidated asset management schemes are RMB31,594,350 thousand. The interests of the Company and its subsidiaries in the abovementioned structured entities as reflected in their respectively balance sheets included trading financial assets of RMB19,019,743 thousand and debt investment of RMB1,002,894 thousand. The Company considered that the above structured entities were controlled by the Group, and included them into its consolidated financial statements.

IX. FUTURE DEVELOPMENT PROSPECTS

(I) Industry landscape and trends

The new development stage of the "14th Five-Year Plan" period puts forward a series of new requirements for the capital market. The status of the capital market has been unprecedentedly improved, and the pivotal role of "a slight move in one part may affect the situation as a whole" has become increasingly apparent. As China's economy enters a new stage of high-quality development, the reform and opening up of the capital market has deepened in an all-round way, the improvement of the multi-level capital market system has accelerated, and the main board, the STAR Market, the small and medium enterprise board, and the NEEQ continue to grow stronger and bigger; led by the comprehensive registration system, important institutional reforms in terms of issuance, transaction, delisting, refinancing, transfer, mergers and acquisitions and restructuring have been advanced in an orderly manner, and the basic institutional systems of the capital market have been continuously improved; the team of institutional investors has further developed and grown, long-term funds have continued to enter the market, the institutionalization of private investors has accelerated, and the investor structure is continuously optimized. In this context, the securities industry has ushered in a huge room for development, but it is also faced with increasingly fierce market competition from commercial banks, technology companies, and foreign investment banks. The Matthew Effect of the industry is obvious, and the development of securities institutions is increasingly relying on comprehensive strength. The survival pressure on small and medium-sized securities firms continues to increase, and industry concentration will accelerate.

(II) Development strategy of the Company

The Company is committed to becoming a comprehensive financial service provider which relies on the capital market, focuses on securities businesses, and is featured by "principal investment + investment banking" and empowered by financial technology. Insisting on customer-centric, it comprehensively promotes the transformation and innovation of securities business, proactively builds an integrated development model of investment business and investment banking business, and continuously improves the comprehensive financial service system. With the focus on high-quality development, the Company will steadily promote the balanced development of light capital business and heavy capital business, domestic business and overseas business, and proactively promote the transformation of brokerage business to wealth management, the transformation of investment banking business to full life cycle capital market services, the transformation of institutional business to comprehensive services, the transformation of asset management business to active management, and the transformation of securities trading business to non-directional investment on the basis of stabilizing the fundamentals of predominant businesses, striving to become a leading broker with balanced businesses, distinctive features, outstanding benefits, and first-class risk control. The Company will comprehensively transform to digitalization, deepen platformization, and proactively deploy intelligence, to enhance the application level of financial technology in customer service, business innovation, and operation management.

(III) Operation plan

In 2021, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company will fully implement the spirit of the 19th National Congress of the Communist Party of China and the 2nd, 3rd, 4th and 5th Plenary Sessions of the 19th Central Committee of the Communist Party of China, and earnestly proceed with the decisions and deployments of the Central Economic Working Conference. It will have an accurate understanding of the new development stage, deeply practice the new development concept and actively integrate it into the new development pattern. The Company will adhere to the general principle of seeking progress while maintaining stability, implement the new development concept based on the new development stage to serve the new development pattern, and continue to proceed with "six stabilisations" and "six guarantees", to proactively build a high-quality development system integrating investment business and securities business; relying on the capital market and centering on the strategic requirements of "investment + investment banking", it will unswervingly promote business transformation, continue to strengthen regional focus, industry focus and customer focus, and strive to improve institutional investment capabilities, to build a comprehensive financial service ecosystem; it will keep improving and consolidating basic management, optimize and improve the investment management model and supporting operating mechanism, and strengthen the construction of a comprehensive risk management system, to improve the group management and control system; besides, it will achieve the standardized operation of listed companies and strengthen the openness and functionality of corporate governance, striving to build a high-quality platform for listing of A shares and H shares.

As COVID-19 has had a serious impact on the macro economy, capital market and corporate credit since 2020, the Company will continue to proceed with epidemic prevention and control and operation management. In respect of COVID-19 prevention and control, various prevention and control measures will be taken to effectively protect the life safety and physical health of employees and customers; for operation management, the Company will make every effort to provide various financial services, adhere to the general principle of seeking progress while maintaining stability, follow the trend to find business breakthroughs

and focus, and calmly respond to the challenges caused by COVID-19, striving to minimize the impact of COVID-19 on the Company's operations.

(IV) Potential risks and countermeasures

According to the analysis on the macroeconomic situation, industry development trend, regulatory environment, impact of COVID-19 and the Company's own conditions, the Company's major risk factors are mainly market risk, credit risk, liquidity risk, operational risk, policy risk, legal compliance risk, and risk of innovative businesses. As COVID-19 has caused a huge impact on the global economy and capital market, the Company has proactively responded to various risks.

1. Market risk

The Company generally has a medium-plus tolerance for market risk. The market risk exposure is mainly concentrated in the proprietary investment business, assets management business with self-owned funds and other businesses.

For market risks, the Company has established a multi-layer risk control index system of "risk appetite-risk tolerance-risk limit". The Board of Directors has set its risk preference, the size limit for large-scale asset business and the loss limit for market risk. The management has refined and formulated the implementation plan in respect of the above risk tolerance. The Company's risk management department measures and monitors market risk limit-related indicators, and conducts a comprehensive assessment of the Company's overall market risk. The Company uses methods including VaR and stress testing to analyse and assess market risks and regularly tests the effectiveness of the VaR model. During the Reporting Period, all investment businesses had good performance. At the end of the Reporting Period, the VaR (95% for one day) of the proprietary investment business of Shenwan Hongyuan Securities was RMB211 million.

In 2021, the huge impact of the epidemic on the global capital market may continue. The internal and external situations are complex and changeable. Therefore, the Company's market risk management will still face greater challenges. In this regard, the Company has taken and intends to take various measures including: (1) keeping a close eye on the evolution of the epidemic, strengthening the follow-up analysis and research and judgment on the macroeconomic situation and market environment, intensifying the research on the risk characteristics and future change trends of large-scale assets, and making timely and proactive responses; (2) formulating a clear risk appetite and risk tolerance transmission mechanism, and strictly implementing the risk tolerance requirements of proprietary investments, assets management with self-owned funds and other businesses; (3) establishing a perfect quantitative risk indicator assessment system, including risk measurement indicators such as VaR, beta, volatility, interest rate basis point value, duration and investment concentration, and utilizing a combination of various methods or tools such as stress test and sensitivity analysis for measurement and assessment; (4) conducting dynamic monitoring and graded pre-warning of risk control indicators and taking effective countermeasures on a timely basis; (5) actively expanding OTC derivatives trading, strategic trading and other businesses, and utilizing the derivative financial instruments such as stock index futures, commodity futures, interest rate swaps and options for risk hedging; (6) prior to the launch of major investment projects, strictly carrying out the project feasibility analysis, and having the risk control department issue risk assessment reports independently.

2. Credit risk

The Company generally has a medium tolerance for credit risk. Credit risk exposure mainly existed in the areas of financing business (margin financing and securities lending, stock repurchases and stock pledged repurchase business), fixed-income proprietary business, OTC derivatives trading business and non-standard investment.

For credit risk, the Company has established an internal rating management mechanism to unify the internal rating model and rating process at the company level; continuously improved the same customer management and control mechanism, and implementing the same customer concentration and quota management with the actual controller as the main entity; established the same business management and control mechanism to unify the risk control standards for similar businesses carried out by different units, and to realize unified monitoring through the system; established company-level negative lists of counterparties and commercial bank access list management mechanism to strengthen credit risk monitoring; and established a classified management mechanism for project risk levels to adopt differentiated post-investment management measures for projects with different risk levels. The above risk control measures and mechanisms continuously reinforced credit risk management. For specific businesses:

(1) Financing business: Shenwan Hongyuan Securities actively adjusted and scaled back its stock pledged business. The scale as at the end of 2020 dropped by 53.04% as compared with the end of 2019. The credit risk exposure was contracted. As a result, the main regulatory indicators and tolerance indicators of our financing business satisfied the prescribed standards.

(2) Fixed-income proprietary business: The Company prevented the bond default risk by continuously tracking the corporate credit rating and debt rating and strengthening its risk monitoring capability.

(3) OTC derivatives trading business: The Company controlled trading counterparties' credit risk exposure through implementation of qualification screening of counterparties, strict access standards, establishment of deposit mechanism, and other measures.

(4) Non-standard investment business: The Company proactively obtained first-hand information through earnest project due diligence, well conducted material review and data calculation, carefully evaluated various risk factors in strict accordance with project grading and evaluation mechanism, and strictly adopted access standards and other measures to prevent credit default risks.

Due to the continued impact of COVID-19, the downward pressure on the economy increased, the credit environment further deteriorated, and the difficulty and pressure of credit risk management and control further increased. In this regard, the countermeasures taken and to be taken by the Company include: (1) establishing the Company's internal rating system to achieve comprehensive coverage of domestic and overseas subsidiaries and unified rating and application within the Group. (2) implementing the unified same customer management and control mechanism for the entire group with the actual controller as the main entity. (3) monitoring negative market sentiment information

across the market and applying the monitoring results to credit risk management practices such as updating of rating results, adjustment of credit lines, and restrictions on access to negative list. (4) further strengthening refined management of financing business, improving the risk assessment and analysis of financing entities and collaterals, strengthening the project duration management, and continuously optimizing the credit risk management system and improving the capability of credit risk management and control; (5) strictly setting the threshold criteria such as debt rating and corporate credit rating for the bond proprietary business, and conducting the pre-verification of the transaction method, the credit grade and type of bonds, the size of single bond and trading concentration. (6) improving the establishment of the OTC derivatives business system, setting the rating and threshold criteria for trading counterparties and improving the risk limit indicators and pre-approval criteria. (7) strengthening the review and duration management of non-standard projects including asset securitization, closely tracking project status and taking countermeasures on a timely basis when identifying potential risks. (8) for the projects with credit default, establishing a risk project disposal team to closely monitor its development, and actively studying and formulating countermeasures to manage such risk properly, so as to ensure that the credit risk is under control.

3. Liquidity risk

The Company generally has a medium-minus tolerance for liquidity risk. For the liquidity risk, on the one hand, the Company continuously improved its liquidity reserve management system, strengthened the total amount and structure management of high-quality liquidity assets and had relatively sufficient liquidity reserve; on the other hand, taking into consideration the macro market environment, the Company reasonably adjusted the proportion of assets with various maturity periods, balanced the distribution of debt maturities, increased the diversity of financing channels, optimized the structure of liability maturities and carried out the liquidity risk emergency plan drills, thus effectively preventing the occurrence of liquidity risk. During the Reporting Period, two liquidity regulatory indicators of Shenwan Hongyuan Securities, namely the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR), met the regulatory standards.

In 2021, the central bank's prudent monetary policy may be further implemented and the market-oriented reform of interest rate will be further deepened. For liquidity risk management, the Company will practically take countermeasures in accordance with macro policies and the economic situation. The countermeasures taken and to be taken by the Company include: (1) making comprehensive capital planning, maintaining sufficient liquidity reserve and steadily carrying out operating activities. (2) actively expanding the scope of cooperative financial institutions, improving liquidity management system and enhancing the management capabilities of quality liquidity assets and debt financing. (3) strengthening the dynamic monitoring of liquidity risk status, continuously tracking and evaluating the information including liquidity regulatory indicators, cash flow gap, liquidity reserve and corporate financing capability, and carrying out liquidity risk pre-warning work. (4) increasing the frequency of stress test of liquidity risk, improving and optimizing situation setting, and improving the capability to measure and deal with liquidity impact. (5) improving the Company's capabilities to report and handle liquidity risk emergency and respond to liquidity crisis by conducting liquidity risk emergency drills.

4. Operational risk

The Company generally has a medium-minus tolerance for operational risk. Operational risk exists in the Company's various business processes and operation management, mainly due to factors such as operational errors of personnel, system defects, imperfect procedures and external events. During the Reporting Period, certain operational risk events were triggered in the Company due to operational errors of personnel, system defects and external events, and individual incidents triggered customer complaints and claims. Upon the occurrence of the risk events, the Company actively took countermeasures and endeavored to defuse the risk, well ensuring the normal business operation of the Company. At the same time, the Company adopted the measures including enhancement of review management, optimization of business processes, improvement of system defects and business training, to prevent the reoccurrence of similar risk incidents.

In view of the increasing innovative businesses and the increasing complexity of business models, the Company's operational risk management will still face great challenges. In this regard, the countermeasures taken and to be taken by the Company include: (1) continuing to improve the three defence lines of "business control, risk monitoring and internal audit", and continuously strengthening the capability of each risk management defence line. (2) improving operational risk management mechanism, continue to carry out operational risk assessment, optimising key operational risk indicators, tracking risk events, and accelerating the implementation of problem rectification. (3) continuously improving the front-end control functions of the business system, strengthening the risk assessment and daily monitoring of the information system, formulating effective emergency mechanisms and carrying out emergency drills. (4) continuing to conduct publicity of typical risk cases and business training, to constantly improve their business capabilities and risk management awareness.

5. Policy risk

The Company's overall operations and development of businesses are greatly affected by external policies. On the one hand, changes in national macro policies and interest rate policies will affect the trend of the securities market, which will lead a direct and important influences on the operations and business development of securities operating institutions; on the other hand, securities regulatory authorities have adopted a series of regulatory policies to encourage securities operating institutions to make value investments, strictly control high-risk businesses, strengthen the standardization and normalization of the working paper of investment banking business. The risk management measurement indicators and reputation risk management mechanisms were listed as considerations for classification and evaluation by promoting consolidated management of industry risk control indicators, and the securities issuance registration system was implemented to strengthen the responsibilities of securities operating institutions as intermediaries in the market and promote securities operating institutions to make every effort to improve their overall risk management level.

Prevention and resolution of major financial risks is the primary task of economic work at present and for a period of time in the future. The influence of policies and new regulations on the prevention and control of risks in the financial sector is continuous and far-reaching. In this regard, the Company has taken and intends to take various measures, including but not limited to: (1) strengthening the research on macro policies, interest rates, etc., strengthening the forward-looking analysis and prediction of risk management, taking the initiative to take response measures, and adjusting risk control policies

and business strategies in a timely manner. (2) paying close attention to regulatory trends and industry dynamics, strengthening communication and contact with regulatory authorities, keeping abreast of regulatory priorities and trends in a timely manner and taking the same as the focus for optimising the risk management system.

6. Legal compliance risk

The Company generally has a low tolerance for legal compliance risk. In 2020, on the one hand, the Company actively monitored changes in laws and regulations and regulatory developments, conscientiously implemented various regulatory requirements, improved the legal compliance system and mechanism, and strengthened the construction of legal compliance culture; on the other hand, it strengthened legal compliance review and earnestly carried out such legal compliance work including anti-money laundering, Chinese wall, management of conflict of interest, management of connected transaction, compliance monitoring, litigation and arbitration, intensified supervision and inspection of key business areas, subsidiaries and branches, and urged the implementation of rectification. During the Reporting Period, the legal compliance risk was generally controllable.

With the introduction and implementation of the Civil Code and its supporting judicial interpretations and the amendments to the criminal law, the continuous improvement of various regulatory regulations in the securities market, and the increasing penalties for violations of laws and regulations by the regulatory authorities, the legal compliance management will face greater challenges. In this regard, the Company will intensify the publicity and training of relevant laws and regulations, judicial interpretations and new regulatory requirements of securities industry, strengthen warning education for employees, and proactively cultivate a compliance culture, to enhance all employees' legal awareness. At the same time, we will further strengthen the review, supervision and inspection of key areas and key aspects, conscientiously organize special compliance management work, and reinforce the supervision and management of employees' practices, to effectively prevent the Company's legal compliance risks.

7. Risk of innovative businesses

With the deepening of financial reforms and the continuous launch of financial innovation businesses, the risk of innovative businesses became more apparent as innovations in the capital market accelerated. Meanwhile, Shenwan Hongyuan Securities obtained the qualification for cross-border business and qualification of primary dealers for OTC options business in 2020, and will vigorously develop innovative businesses including cross-border and OTC options businesses.

In this regard, the countermeasures taken and to be taken by the Company include: (1) Shenwan Hongyuan Securities established a new product and innovation business committee, and formulated the relevant work rules to regulate the verification of the Company's innovative businesses and coordinate the operation of cross-line innovative businesses. (2) All innovative businesses need to be equipped with corresponding rules, systems and personnel, and can be carried out only after being reviewed and approved by the relevant committee. (3) The new businesses, new models, and new products of subsidiaries were included in the Company's hierarchical review and decision-making system. Based on the first-level evaluation by subsidiaries, the Company's risk management department would conduct a second-level evaluation and review. (4) The Company added the risk monitoring and pre-warning of innovative businesses to the daily risk management work, and dynamically adjusted the control threshold based on business operation situation.

8. Exchange rate risk

The Company has a subsidiary in Hong Kong which holds assets with Hong Kong dollars as the settlement currency and has a risk limit for foreign exchange exposure. At the end of the period, the proportion of net foreign currency risk exposure to total business exposure was low. Most of the Company's assets, liabilities, revenue, costs and expenses are expressed in Renminbi. Foreign currency assets, liabilities and income account for a relatively small proportion. Net foreign currency exposures are relatively low in the Group and the exchange rate risk that the Company is faced is not great. In the future, with the advancement of the Company's international business layout and RMB internationalization, the Company will further strengthen the study on exchange rate, and take reasonable and effective measures to hedge and control exchange rate risks in a timely manner.

X. THE ESTABLISHMENT OF DYNAMIC RISK CONTROL INDICATORS MONITORING AND COMPLEMENT MECHANISM BY SHENWAN HONGYUAN SECURITIES, A SUBSIDIARY OF THE COMPANY

(I) Dynamic risk control indicators monitoring mechanism

The Company has always attached great importance to the construction of a dynamic risk control indicators monitoring mechanism. The risk management department of Shenwan Hongyuan Securities and its subsidiaries has developed and established their own risk management system which is independent of other business departments based on the requirements of the Administrative Measures for Risk Control Indicators of Securities Companies. Such system is able to dynamically supervise risk control indicators with Net Capital and liquidity as key indicators, together with other business risk control indicators.

On the basis that each department, branch and subsidiary of the company identifies, assesses and monitors the indicators applicable to their respective business, the risk management department conducts an independent review through the risk management system, issues a warning against situations violating the alert level, and urges the relevant department to respond to the risk.

During the Reporting Period, other than the two concentration risk control indicators, i.e. the "proportion of the holding size of a non-equity security to its total size" and the "proportion of the holding size of an equity security to its total size", which passively exceeded regulatory standards and alert standards due to net redemption of funds held, put-back of bonds and changes in the way of transfer of shares on the NEEQ, net redemption of products with self-own funds, other risk control indicators with a focus on Net Capital and liquidity were in compliance with regulatory requirements. For the abovementioned incompliance with regulatory standards and alert standards, the Company has reported to the regulatory authorities in a timely manner and taken treatment measures.

(II) Establishment of capital replenishment mechanism

Shenwan Hongyuan Securities has established a Net Capital replenishment mechanism. When risk control indicators of the Company including Net Capital trigger the alert standards, the company then replenishes Net Capital by reducing the type and scale of proprietary investment products with high risks, adjusting business operation plans, issuing subordinated debts, raising funds, and similar measures. In recent years, the capital adequacy level of Shenwan Hongyuan Securities has been in line with business development, and the major risk control indicators centering on Net Capital and liquidity have continued to meet the requirements of regulatory authorities.

(III) Stress test of risk control indicators

The Company has established a stress test mechanism for risk control indicators. According to the relevant requirements of the Guidelines on Securities Companies' Stress Tests, Shenwan Hongyuan Securities conducts annually a comprehensive stress test based on market environment changes and business development. When making cash dividend distributions and carrying out various major businesses, it also performs special stress tests, measures its general risk tolerance and formulates measures to ensure a healthy, sustainable and stable development.

XI. IMPLEMENTATION OF COMPREHENSIVE RISK MANAGEMENT BY SHENWAN HONGYUAN SECURITIES, A SUBSIDIARY OF THE COMPANY

Shenwan Hongyuan Securities always adheres to the concept of "standardized operation and stable development", and continuously optimizes and improves the risk management system at group level with high penetration "involving all staff in all aspects throughout the entire business process and with full coverage". It has built a multi-level risk management organization and a full-coverage risk management system, and adopted effective risk management and control measures. As a result, the risk control capabilities are continuously enhanced and various risks in business management are better controlled as a whole.

(I) In terms of the risk management organization structure, Shenwan Hongyuan Securities has established a risk management organization structure comprising the board of directors, the compliance management and risk control committee, the board of supervisors, the management and risk management committee, the risk management department and other functional management departments, as well as business departments, branches and subsidiaries to guarantee the effective operation of the risk management system.

(II) In terms of risk management systems and policies, Shenwan Hongyuan Securities has established a risk management system with the Risk Management System as the basic system with various professional risk management measures and business-level operating procedures and specific risk management systems as supporting rules to regulate risk management. At the same time, Shenwan Hongyuan Securities has determined risk appetite and clarified the basic attitude to risk and return and the total amount of risk it is willing to accept after giving comprehensive consideration to internal and external factors including strategic objectives of development, external market environment, risk tolerance, and shareholder return requirements. Based on this, Shenwan Hongyuan Securities has formulated the risk tolerance and its implementation plan based on the actual situation, and established a key risk limit indicators system. Relevant systems and policies have been effectively implemented.

(III) In terms of risk management and control measures, a comprehensive risk identification and analysis system has been established, and qualitative and quantitative methods have been used to analyze and evaluate the company's risks. For internal and external major risk information that may affect the realization of business objectives, scientific and reasonable measurement models or evaluation methods are adopted for prudent assessment; the company has established a clear risk control indicators system, which effectively covers various business types and professional risk types, and realized dynamic monitoring and early warning of various business risk indicators and regulatory indicators through a risk management system; it has established a risk response strategy that is commensurate with risk appetite and a complete internal and external response mechanism, to basically and effectively control various types of risks. In addition, the company has established a smooth risk information communication mechanism to ensure transmission and feedback of relevant information in a timely, accurate, and complete manner.

XII. COMPLIANCE RISK CONTROL AND INVESTMENT IN INFORMATION TECHNOLOGY OF SHENWAN HONGYUAN SECURITIES, A SUBSIDIARY OF THE COMPANY

Shenwan Hongyuan Securities attaches great importance to compliance and risk control, and has established a comprehensive internal control mechanism covering all employees and the whole business process and a full-coverage risk management system to ensure the legal compliance of its business operations. The Company's investment in compliance risk control mainly includes (based on the pilot statistical standards of investment in compliance risk control for securities companies' consolidated supervision, i.e. the standards for parent company): compensation for compliance risk control personnel, operating expenses of compliance risk control and investment in the construction of compliance risk control related system. In 2020, the Company's total investment in compliance risk control was RMB263.98 million.

Shenwan Hongyuan Securities, continuously provides secure, stable and personalized services to ensure and support business development and attaches great importance to information technology innovation. In 2020, The company's total investment in information technology amounted to RMB595.70 million, mainly including (according to the statistics based on the indicators of investment in construction of information system for securities companies): depreciation and amortization costs of IT investment in fixed assets and intangible assets, IT daily operating costs, computer room rental costs, IT circuit lease costs, IT independent research and development costs and investment in IT staff.

XIII. ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT AND FULFILLMENT OF SOCIAL RESPONSIBILITIES

For the fulfillment of social responsibilities by the Company, please refer to the "Social Responsibility" in Section V "Significant Events" of this report. In terms of environmental policies and performance, the Company has complied with the "comply or explain provision" set out in the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 to the Hong Kong Listing Rules in this year. For details, please refer to the "2020 Social Responsibility Report of Shenwan Hongyuan Group Co., Ltd." published by the Company.

For corporate governance, please refer to Section VIII "Corporate Governance" of this report. The Company has fully complied with all provisions of the CG Code.

XIV. PERMITTED INDEMNITY PROVISION

Appropriate insurance policy arrangements have been made by the Company in respect of the responsibilities of the Directors and members of the senior management to cover possible legal liabilities owed to third parties arising from corporate activities that may be faced by the Directors and members of the senior management.

XV. INTEREST OF DIRECTORS AND SUPERVISORS IN MATERIAL CONTRACTS

Except for the service contracts, neither the Company nor its subsidiaries has entered into any significant transactions, arrangements or contracts in which the Directors or Supervisors of the Company or their connected entities had or continue to have, directly or indirectly, a material interest during the Reporting Period.

XVI. INTEREST OF DIRECTORS IN BUSINESSES IN COMPETITION WITH THE COMPANY

None of the Directors has any interest in any business that competes or may compete with the Company's business, directly or indirectly.

XVII. MANAGEMENT CONTRACTS

In 2020, the Company did not enter into or have any contracts in relation to the management or administration of the whole or any substantial part of the businesses of the Company.

XVIII. MAJOR CUSTOMERS AND SUPPLIERS

The Company has built a business system including enterprise finance, personal finance, institutional services and trading and investment management business, to provide comprehensive financial services to corporate customers, professional institutional customers, individuals and non-professional institutional customers. In 2020, the income attributable to the Group's largest customer accounted for 6.78% of the operating income, and the five largest customers are non-related parties.

Due to the nature of business, the Company has no major suppliers.

XIX. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

For details of the composition of the Directors, Supervisors and senior management of the Company, its changes and biographies during the Reporting Period and as at the date of this report, please refer to Section VII "Particulars of Directors, Supervisors, Senior Management and Employees" in this report.

XX. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

(I) On January 14, 2021, the Company completed the procedures for industrial and commercial registration of change of the legal representative. Following the change, the existing legal representative is Huang Hao.

(II) On December 28, 2020, the Company convened the 57th meeting of the fourth session of the Board at which the Proposal Regarding Increase in the Registered Capital of Shenwan Hongyuan Securities Co., Ltd. was considered and approved, the Company was approved to increase the registered capital of Shenwan Hongyuan Securities with its self-owned funds in an amount of no more than RMB5 billion. On March 4, 2021, Shenwan Hongyuan Securities completed relevant procedures for industrial and commercial registration of changes in registered capital and the registered capital of Shenwan Hongyuan Securities was increased from RMB47 billion to RMB52 billion.

XXI. COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As a public company listed in the Mainland China and Hong Kong, the Company has formulated and continuously improved various rules and regulations to standardise operations in strict compliance with the Company Law, the Securities Law, the Code of Corporate Governance of Listed Companies, and the CG Code and other laws, regulations, and requirements of regulatory documents of the domestic and overseas places of listing and the Articles of Association, and is committed to continuously maintaining and improving the Company's good market image. During the Reporting Period, the Company was not subject to penalty or public condemnation. For relevant information of the Company's subsidiaries, please refer to "XXIV. Other significant matters of the subsidiaries of the Company" in "Section V Significant Events" of this report.

XXII. RELATIONSHIP WITH EMPLOYEES, CLIENTS, SUPPLIERS AND PERSONS WHO ARE MATERIALLY RELATED

For details of employee compensation and training program of the Company, please refer to "Employees of the Company", "Remuneration Policy" and "Training Program" in "Section VII Particulars of Directors, Supervisors, Senior Management and Employees" of this report. For the relationship between the Company and securities brokers, please refer to "XXIV. Other significant matters of the subsidiaries of the Company" and "Information about Customer Solicitation and Customer Service of Commission Brokers of Shenwan Hongyuan Securities, a Subsidiary of the Company" in "Section V Significant Events" of this report. For the relationship between the Company and major customers and suppliers, please refer to the "XVIII. Major customers and suppliers" under the "Section IV Report of the Board" of this report.

XXIII. DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

The Company or any of its subsidiaries did not make any arrangement during the Reporting Period that would enable any director or supervisor of the Company (including their spouses and children under the age of 18) to acquire benefits by means of acquisition of shares or debentures of the Company or any other associated corporations.

XXIV. DONATIONS

The Company proactively fulfills its social responsibilities. In 2020, the amount of investment in charitable advertising, disaster relief donations, education grants, charitable donations, and other public welfare aspects was RMB62.1598 million.

XXV. ISSUANCE OF SHARES AND BONDS

For the issuance of shares during the Reporting Period, please refer to "II. Issuance and listing of securities" under "Section VI Changes in Shares and Shareholders" of this report.

For the issuance of corporate bonds, subordinated bonds, short-term corporate bonds and short-term financing bills by the Company, please refer to "Section IX Corporate Bonds" and "XXIV. Other significant matters of the subsidiaries of the Company" in "Section V Significant Events" of this report.

XXVI. PROFIT DISTRIBUTION AND PROPOSED DIVIDEND

The formulation and implementation details of the Company's cash dividends policy and the profit distribution proposal for 2020 are set out in "I. Profit Distribution of Ordinary Shares and Conversion of Capital Reserves into Share Capital of the Company" and "II. Profit Distribution and Conversion of Capital Reserves into Share Capital during the Reporting Period" in "Section V Significant Events" of this report.

By order of the Board of Directors
Chu Xiaoming
Chairman

March 30, 2021

I. PROFIT DISTRIBUTION OF ORDINARY SHARES AND CONVERSION OF CAPITAL RESERVES INTO SHARE CAPITAL OF THE COMPANY

(I) Profit Distribution Policy of Ordinary Shares during the Reporting Period

The Articles of Association classifies the Company's profit distribution policy as follows:

"Article 226 For the distribution of profits, the Company shall pay attention to the reasonable return of investors and give consideration to the sustainable growth of the Company. On the basis of profitable operation by the Company and monitoring maintained on Net Capital required by business development of the Company, the profit distribution policy of the Company shall maintain a certain level of continuity and stability.

The Company may distribute dividends in cash, stock or by the combination of cash and stock. When the Company has no material investment plans or material cash expenditures, provided the funds requirements for normal operation of the Company has been satisfied, the dividend distribution policy of cash dividend payment shall be adopted by the Company in preference. In any three consecutive years, the aggregate profits distributed by the Company in cash shall not be less than 30% of the annual distributable profits for such three years. Subject to the satisfaction by the Company of the percentage of the above cash dividend distribution, the Company may distribute profits by issuing bonus shares.

The Company generally makes annual profit distribution. The Board of Directors of the Company may recommend the Company to pay cash interim dividend distribution based on the business operation performance of the Company.

The Board of the Company shall take into comprehensive consideration of factors such as industry characteristics, the Company's phase of the development stage, its own business operation mode, profitability level, as well as any potential substantial capital expenditure arrangement, and formulate specific cash dividend distribution policy applicable to the following situations:

(I) Where the Company is in a maturity phase of the development stage with no substantial capital expenditure arrangements, the cash dividend distributed shall not be less than 80% of the total profits distributed when carrying out profits distribution;

(II) Where the Company is in a maturity phase of the development stage with substantial capital expenditure arrangements, the cash dividend distributed shall not be less than 40% of the total profits distributed when carrying out profits distribution;

(III) Where the Company is in a growth phase of the development stage with substantial capital expenditure arrangements, the cash dividend distributed shall not be less than 20% of the total profits distributed when carrying out profits distribution;

Where the phase of the development stage of the Company is difficult to define but Company has substantial capital expenditure arrangements, the profit distribution may be dealt with pursuant to the preceding provisions.

Article 227 Where the Company needs to adjust its existing profit distribution policy in light of business operations, investment plans and the requirement of long-term development of the Company, the adjusted profit distribution policy shall not violate relevant requirements of the CSRC and the Shenzhen Stock Exchanges. The proposal on the adjustment to the profit distribution policy shall be deliberated by the Board of Directors before it is submitted to the general meeting for consideration.

When the Company formulates its cash dividend distribution plan, the Board of Directors shall carefully study the matters concerning the Company's cash dividend distribution, including intervals, conditions, the minimum payout ratio, conditions for adjustment and the decision-making procedures. Independent non-executive directors shall express their specific opinion thereon. Before any specific cash dividend distribution plan is deliberated at a general meeting for consideration, the Company shall sufficiently listen to the comments from the minority shareholders.

Article 228 A profit distribution plan of the Company shall be in compliance with the relevant regulations, with a view to long-term and sustainable growth. Such factors as the comprehensive analysis of the operation and development of the Company, industrial development trends, the intention of the shareholders the costs of social funds and the external environment for financing shall also be taken into consideration.

The Board of the Directors of the Company shall explain its proposed applications for the retained undistributed profits in any profit distribution plan. The undistributed profits retained by the Company shall be mainly used for replenishing working capital of the Company so as to improve the Net Capital level of the Company. Where the Board of Directors of the Company develops no profit distribution plan, it shall make disclosure in periodic reports to explain the reasons and purposes of undistributed profits retained by the Company, together with independent opinions from the independent non-executive directors. Any proposal for profit distribution of the Company shall be submitted to a general meeting for approval after it has been considered and adopted by the Board of Directors, with the independent non-executive directors expressing independent opinions.

Article 229 Where the Company needs to adjust its profit distribution policy due to significant changes in the external operating environment and business operations of the Company, the adjusted profit distribution policy shall not violate any laws, regulations and regulatory rules in order to protect the rights and interests of the shareholders.

Any proposals concerning any adjustment to the profit distribution policy shall require discussion and negotiation in detail, and active communication with the shareholders (especially the minority shareholders) through various channels to collect opinions and requests from the minority shareholders. The proposal shall be submitted to a general meeting for approval after it has been considered and adopted by the Board of Directors, with the independent non-executive directors expressing independent opinions, and the proposal shall be adopted by the shareholders present at the general meeting representing more than two thirds of the voting rights."

Specific Particulars of Cash Dividend Policy		
1.	Whether the policy complied with the provisions of the Articles of Association or the requirements of the resolutions of the Shareholders' General Meeting:	Yes
2.	Whether the standard and proportion of dividend distribution were definite and clear:	Yes
3.	Whether the relevant decision-making procedure and mechanism were well-established:	Yes
4.	Whether the independent non-executive directors performed their duties and responsibilities and played their roles properly:	Yes
5.	Whether minority shareholders had sufficient opportunity to express their opinions and requests, whether their legitimate interests were sufficiently protected:	Yes
6.	If the cash dividend policy underwent any adjustments or changes, whether the conditions and procedures were compliant and transparent:	Yes

(II) Dividend Distribution Plan (Proposal) of Ordinary Shares, Conversion Plan (Proposal) of Capital Reserves into Share Capital and Cash Dividends for Ordinary Shares in the Latest Three Years

1. Dividend Distribution Plan (Proposal) of Ordinary Shares and Conversion Plan (Proposal) of Capital Reserves into Share Capital of the Company in the Latest Three Years (including the Reporting Period):

Year	Dividend Distribution Plan (Proposal) of Ordinary Shares and Conversion Plan (Proposal) of Capital Reserves into Share Capital
Proposal for 2020	1. Based on the total share capital of 25,039,944,560 A Shares and H Shares of the Company as of December 31, 2020, a cash dividend of RMB1.00 (tax inclusive) for every 10 shares was distributed to all A shareholders and H shareholders whose names appear on the register of members of the Company on the record date, with a total amount of cash dividend of RMB2,503,994,456.00. The retained profits of the Company of RMB271,475,374.34 following the cash dividend distribution will be carried forward to the next year. 2. Cash dividend is denominated and declared in RMB and paid to A shareholders in RMB and to H shareholders in HKD. The actual distribution amount in HKD was calculated at the rate of average benchmark exchange rate of RMB against HKD published by the People's Bank of China five business days prior to the 2020 annual general meeting of the Company.

Year	Dividend Distribution Plan (Proposal) of Ordinary Shares and Conversion Plan (Proposal) of Capital Reserves into Share Capital
Plan for 2019	1. Based on the total share capital of 25,039,944,560 A Shares and H Shares of the Company as of December 31, 2019, a cash dividend of RMB0.80 (tax inclusive) for every 10 shares was distributed to all A shareholders and H shareholders whose names appear on the register of members of the Company on the record date, with a total amount of cash dividend of RMB2,003,195,564.80. The retained profits of the Company of RMB1,217,347,642.66 following the cash dividend distribution will be carried forward to the next year. 2. Cash dividend is denominated and declared in RMB and paid to A shareholders in RMB and to H shareholders in HK dollars. The actual distribution amount in HK dollars was calculated at the rate of average benchmark exchange rate of RMB against HK dollars published by the People's Bank of China five business days prior to the 2019 annual general meeting of the Company.
Plan for 2018	A cash dividend of RMB0.50 (tax inclusive) for every 10 shares.

2. Cash Dividends for Ordinary Shares of the Company in the Latest Three Years (including the Reporting Period)

Unit: RMB

Year of Dividend	Amount of Cash Dividends (tax inclusive)	Amount of Net Profit Attributable to Shareholders of the Company in the Consolidated Statements of the Year of Dividend	Percentage of Net Profit Attributable to Shareholders of the Listed Company in the Consolidated Statements (%)	Amount of Cash Dividends Otherwise Distributed	Percentage of Amount of Cash Dividends Otherwise Distributed
Proposal for 2020	2,503,994,456.00	7,766,174,742.43	32.24	–	–
Plan for 2019	2,003,195,564.80	5,735,412,391.33	34.93	–	–
Plan for 2018	1,126,797,228.00	4,160,188,689.17	27.09	–	–

(III) Tax Concession

1. Shareholders of A Shares

In accordance with the "Notice on Relevant Issues of Implementation of Individual Income Tax Policy of Dividends and Bonus Differentiation of Listed Companies" (Cai Shui [2012] No. 85) (《關於實施上市公司股息紅利差別化個人所得税政策有關問題的通知》(財税[2012]85號)) and the "Notice on Relevant Issues of Individual Income Tax Policy of Dividends and Bonus Differentiation of Listed Companies" (Cai Shui [2015] No.101) (《關於上市公司股息紅利差別個人所得税政策有關問題的通知》(財税[2015]101號)) issued by the Ministry of Finance, the State Taxation Administration and the CSRC, for dividends and bonus of individual investors obtained from listed companies from the date when

individual investors obtain shares of the Company to the equity registration date, if shareholding period is more than one year, personal income tax will be exempted; if shareholding period is not more than one year (including one year), the listed company will not withhold and remit personal income tax and the tax payable amount will be calculated by the shareholding period when individual investors transfer their shares. As for shareholders of resident enterprises, income tax of cash bonus will be paid by themselves. Listed companies will withhold and remit enterprise income tax at the tax rate of 10% for qualified foreign institutional investors (QFII) in accordance with provisions of the "Notice of State Administration of Taxation on Relevant Issues Regarding the Withholding and Payment of Enterprise Income tax Relating to the Payment of Dividends, Bonus and Interest by PRC Resident Enterprises to QFII" (Guo Shui Han [2009] No. 47) (《國家税務總局關於中國居民企業向QFII支付股息、紅利、利息代扣代繳企業所得税有關問題的通知》(國税函[2009]47號)). If QFII shareholders are entitled to tax convention (arrangement) treatment regarding dividends and bonus obtained by them, they can put forward or entrust obligor of withholding and remitting tax to put forward application for enjoying tax convention treatment to the competent taxation authority of the listed company.

In accordance with provisions of the "Notice of the Ministry of Finance, State Administration of Taxation and China Securities Regulatory Commission on Tax Policies about Inter-communication Pilot of Shenzhen-Hong Kong Stock Exchange Mechanism" (Cai Shui [2016] No. 127) (《財政部國家税務總局證監會關於深港股票市場交易互聯互通機制試點有關税收政策的通知》(財税[2016]127號)), as for dividends and bonus of Hong Kong market investors (including enterprise and individual) by investing A shares listed on Shenzhen Stock Exchange, differentiated taxation policy by shareholding period will not be implemented before Hong Kong Securities Clearing Company Limited complies with conditions to provide detailed data including identities of investors and shareholding time for China Securities Depository and Clearing Corporation Limited, and the listed company will withhold income tax at the tax rate of 10% and go through deduction declaration with the competent taxation authority. As for Hong Kong investors who are tax residents of other countries and whose dividends income tax rate specified in tax convention signed by their countries and China is lower than 10%, enterprises or individuals can put forward or entrust obligor of withholding and remitting tax to put forward application for enjoying tax convention treatment to the competent taxation authority of the listed company.

2. Shareholders of H Shares

In accordance with provisions of the "Notice of the State Administration of Taxation on Personal Income Tax Collection Issues after the Document with the Number of Guo Shui Fa [1993] No. 045 has been Abolished" (Guo Shui Han [2011] No. 348) (《國家税務總局關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》(國税函[2011]348號)), withholding and remitting obligor will withhold and remit personal income tax as per item of "interest, dividends and bonus income" for dividends and bonus income of overseas resident individual shareholders from domestic non-foreign-funded enterprise by issuing shares in Hong Kong. When domestic non-foreign-funded enterprise issues shares in Hong Kong, its overseas resident individual shareholders will enjoy relevant tax preference in accordance with tax convention signed by China and the country stated in the residential identity and tax arrangement of Mainland China and Hong Kong (Macau). In general, tax rate for dividend is 10% in accordance with relevant tax convention and provisions on tax arrangement. To simplify tax collection and management, when a domestic non-foreign-funded enterprise that has issued shares in Hong Kong distributes dividends and bonus, personal income tax will be generally withheld and remitted as

per the tax rate of 10% and application is not necessary. Situations in which tax rate for dividends is not 10% will be handled in accordance with the following provisions: (1) as for residents of country under the convention whose tax rate is less than 10%, withholding and remitting obligor can handle application for enjoying relevant convention treatment and excessive tax will be refunded with approval of competent taxation authority; (2) as for residents of country under the convention whose tax rate is between 10% and 20%, withholding and remitting obligor shall withhold and remit personal income tax as per actual tax rate under the convention when distributing dividends and bonus and it need not handle application and approval issues; (3) as for residents of country without tax convention and other situations, withholding and remitting obligor shall withhold and remit personal income tax at the tax rate of 20% when distributing dividends and bonus.

In accordance with provisions of the "Notice on Relevant Issues that PRC Resident Enterprises Distribute Dividends to Overseas Non-resident Enterprise Shareholders of H-shares and Withhold and Remit Enterprise Income Tax" (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) issued by the State Administration of Taxation, when PRC resident enterprises distribute dividends of 2008 and future years to overseas non-resident enterprise shareholders of H-shares, they will withhold and remit enterprise income tax at the tax rate of 10%.

In accordance with provisions of the "Notice of the Ministry of Finance, State Administration of Taxation and China Securities Regulatory Commission on Tax Policies about Inter-communication Pilot of Shenzhen-Hong Kong Stock Exchange Mechanism" (Cai Shui [2016] No. 127) (《財政部國家稅務總局證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), H-share companies will withhold personal income tax at the tax rate of 20% for dividend and bonus of individual investors in the PRC who invest in H-shares listed on the Hong Kong Stock Exchange via Shenzhen-Hong Kong Stock Connect. Personal income tax will be collected in accordance with the above provisions for dividends and bonus income of the securities investment fund in the PRC which invests in listed shares of the Hong Kong Stock Exchange via the Shenzhen-Hong Kong Stock Connect. H-share companies will not withdraw dividend and bonus income tax for dividends and bonus of enterprise investors in the PRC who invest in listed shares of the Hong Kong Stock Exchange via the Shenzhen-Hong Kong Stock Connect and income tax will be paid by enterprises themselves. Dividends and bonus income obtained by resident enterprises in the PRC as they have continuously held H-shares for 12 months will be exempted from enterprise income tax according to laws.

In accordance with current convention of the Hong Kong Inland Revenue Department, taxes will not be paid for dividends paid by the Company in Hong Kong.

Shareholders of the Company will pay relevant taxes and/or enjoy tax concession in accordance with the above provisions.

II. PROFIT DISTRIBUTION PLAN AND PLAN FOR CONVERSION OF CAPITAL RESERVE INTO SHARE CAPITAL DURING THE REPORTING PERIOD

Number of bonus shares for every 10 shares (share)	—
Amount of dividend for every 10 shares (RMB) (tax inclusive)	1.00
Number of share converted for every 10 shares (share)	—
Basis of the shares for the distribution proposal (share)	25,039,944,560
Total amount of cash dividends (RMB) (tax inclusive)	2,503,994,456.00
Distributable profit (RMB)	2,775,469,830.34
Percentage of cash dividends in total amount of profit distribution	100%

Cash Dividends

The profit distribution proposal of the Company for 2020 is as follows:

1. Based on the total share capital of 25,039,944,560 A Shares and H Shares of the Company as of December 31, 2020, a cash dividend of RMB1.00 (tax inclusive) for every 10 shares was distributed to all A shareholders and H shareholders whose names appear on the register of members of the Company on the record date, with a total amount of cash dividend of RMB2,503,994,456.00. The retained profits of the Company of RMB271,475,374.34 following the cash dividend distribution will be carried forward to the next year.
2. Cash dividend is denominated and declared in RMB and paid to A shareholders in RMB and to H shareholders in HKD. The actual distribution amount in HKD was calculated at the rate of average benchmark exchange rate of RMB against HKD published by the People's Bank of China five business days prior to the 2020 annual general meeting of the Company.

After the proposal is considered and approved at the general meeting, the Company will distribute cash dividend within two months after the date of convening the general meeting, and expects to pay the cash dividends by no later than August 31, 2021 (Tuesday).

Explanations on Details of the Proposal for Profit Distribution or Conversion of Capital Reserve into Share Capital

As audited and confirmed by KPMG Huazhen LLP, as of December 31, 2020, the Company realised a consolidated net profit attributable to shareholders of the parent Company of RMB7,766,174,742.43. The balance of the audited undistributed profit of the parent company at the beginning of 2019 was RMB3,220,543,207.46, plus the net profit of RMB1,731,246,875.20 for 2020; after deducting the cash dividend of RMB2,003,195,564.80 in 2019; after deducting the statutory surplus reserve of RMB173,124,687.52 at 10% of the net profit realized in 2020 according to the Company Law and the Articles of Association. The balance of profit available for distribution of the parent company of the Group at the end of 2020 was RMB2,775,469,830.34. The profit distribution proposal of the Company for 2020 is as follows: Based on the total share capital of 25,039,944,560 shares of the Company as of December 31, 2020, a cash dividend of RMB1.00 (tax inclusive) for every 10 shares was distributed to all shareholders, with a total amount of cash dividend of RMB2,503,994,456.00. The retained profits of the Company of RMB271,475,374.34 following the cash dividend distribution will be carried forward to the next year. Cash dividend is denominated and declared in RMB and paid to A shareholders in RMB and to H shareholders in HKD. The actual distribution amount in HKD was calculated at the rate of average benchmark exchange rate of RMB against HKD published by the People's Bank of China five business days prior to the 2020 annual general meeting of the Company.

III. RESERVES AND RESERVES OF DISTRIBUTABLE PROFIT

For the changes in reserves and reserves of distributable profit, please refer to the "Consolidated Statement of Changes in Equity" of financial statements and Note 52 to the consolidated financial statements in this report.

IV. IMPLEMENTATION OF COMMITMENTS

Cause of Commitment	Name of undertaking party	Details of Commitment	Start Date of Commitment	End Date of Commitment	Performance
Refinancing	Directors, senior management	The Directors and senior management make the following commitments for effective implementation of the measures to make up for returns in accordance with the relevant requirements of the CSRC: I. they will not direct benefits to other entities or individuals without consideration or on unfair terms, nor will they compromise the interests of the Company in any other manner; II. they will act to restrain duty-related spending; III. they will not appropriate assets of the Company for investments and spending not related to the performance of their duties; IV. the remuneration system formulated by the Board of Directors or the Remuneration and Nomination Committee will be correlated to the implementation of the Company's measures to make up for returns; V. in the event of the implementation of any share option incentive scheme by the Company in future, the conditions for exercising options under such scheme will be correlated to the implementation of the Company's measures to make up for returns.	2017-05-19	During the tenure of the Director and senior management of the Company	Ongoing performance

Cause of Commitment	Name of undertaking party	Details of Commitment	Start Date of Commitment	End Date of Commitment	Performance
Initial public offering	China Jianyin Investment Ltd.	Letter of Commitment on Avoiding Horizontal Competition China Jianyin Investment Ltd., made a commitment on July 22, 2017: The company, China Jianyin Investment Ltd., currently holds 60.02% of the shares of Hongyuan Securities Co., Ltd. ("Hongyuan Securities"), and may be deemed as the related party of the controlling shareholder or its actual controller of the surviving company (the "Surviving Company", including subsidiaries, branches and branches of subsidiaries) after the completion of the material asset restructuring (the "Restructuring") of Hongyuan Securities and Shenyin & Wanguo Securities Co. Ltd. ("Shenyin & Wanguo"), during which the company makes the following irrevocable commitments to the Surviving Company: (I) According to the spirit of the meeting of the State Council, as a platform for restructuring of securities companies, the company has undertaken the restructuring of a number of securities companies. Therefore, in addition to holding shares in Hongyuan Securities, it also holds shares in a number of securities companies. The company undertakes that no new strategic equity investment in securities companies will be made in the future, except for tasks assigned by the government or regulatory authorities. (II) After the completion of the Restructuring, the company will not use its holding position in the Surviving Company to damage the interests of the Surviving Company and other shareholders. The company understands that the Surviving Company may rely on the confirmations and commitments made in this commitment. The company undertakes that if the company becomes aware of any information that would cause people to doubt the authenticity, accuracy and completeness of the information provided in this confirmation letter, the company will immediately notify the Surviving Company in writing of such information.	2015-01-26	During the tenure of controlling shareholder	Ongoing performance

Cause of Commitment	Name of undertaking party	Details of Commitment	Start Date of Commitment	End Date of Commitment	Performance
Initial public offering	China Jianyin Investment Ltd.	Letter of Commitment on Reduction and Regulation of Related Party Transactions The company, China Jianyin Investment Ltd., currently holds 60.02% of the shares of Hongyuan Securities Co., Ltd. ("Hongyuan Securities"), and may be deemed as the related party of the controlling shareholder or its actual controller of the surviving company after the completion of the material asset restructuring of Hongyuan Securities and Shenyin & Wanguo Securities Co. Ltd. ("Shenyin & Wanguo" or the "Surviving Company"). The company makes the following irrevocable commitments to the Surviving Company: (I) The company will regulate and do its utmost to reduce related party transactions with the Surviving Company and the companies controlled by it. If an unavoidable related party transaction occurs with the Surviving Company and the companies controlled by it, it will enter into a standard agreement on related party transaction with the Surviving Company according to law, and perform the approval procedures in accordance with the relevant laws, regulations, rules, other normative documents and the articles of association; the price of the related party transaction shall be determined based on the price of the same or similar transactions with independent third parties without related party relationships, to ensure that the price of the related party transaction is fair; the company guarantees to discharge the information disclosure obligations of related party transaction in accordance with the relevant laws, regulations and the articles of association; the company guarantees that it will not use related party transaction to illegally transfer the funds and profits of the Surviving Company, or use related party transaction to damage the interests of the Surviving Company and non-related shareholders. (II) The company and other companies controlled by the company will not require the Surviving Company to grant more favorable terms than those granted to independent third parties in any market fair transaction. (III) The company guarantees that it will attend the shareholders' meetings, exercise corresponding rights equally, assume corresponding obligations, that it will not use the status of controlling shareholder to obtain improper benefits, and that it guarantees not to harm the legal interests of other shareholders (especially minority shareholders)	2015-01-26	During the tenure of controlling shareholder	Ongoing performance

Cause of Commitment	Name of undertaking party	Details of Commitment	Start Date of Commitment	End Date of Commitment	Performance
		of the company in accordance with the Surviving Company's articles of association. The company undertakes to perform its obligation to abstain from voting when voting on related party transactions involving the company and other companies controlled by the company at the shareholders' meeting of the Surviving Company. (IV) The company will faithfully fulfill the above commitments and bear corresponding legal liabilities. If the breach of the above commitments causes losses to the Surviving Company and other shareholders, all losses will be borne by the company. (V) The undertaking party guarantees the right to sign this letter of commitment, and once this letter of commitment is formally signed, it constitutes an effective, legal and binding responsibility to the undertaking party. The company understands that the Surviving Company may rely on the confirmations and commitments made in this commitment. The company undertakes that if the company becomes aware of any information that would cause people to doubt the authenticity, accuracy and completeness of the information provided in this confirmation letter, the company will immediately notify the Surviving Company in writing of such information.			

Cause of Commitment	Name of undertaking party	Details of Commitment	Start Date of Commitment	End Date of Commitment	Performance
Initial public offering	Central Huijin Investment Ltd.	Letter of Commitment on Avoiding Horizontal Competition Central Huijin has undertaken to the Company on July 22, 2014, that: 1. As long as the company is being treated as the actual controller of Shenyin & Wanguo or an affiliate of the actual controller of Shenyin & Wanguo in accordance with the laws or listing rules of China or the place where Shenyin & Wanguo's shares are listed (if the shares of Shenyin & Wanguo are listed for trading), the company undertakes that it will not engage in or participate in any competitive securities business within or outside China. If the company participates in or conducts competitive securities business or any business or activity that has evolved into a competitive securities business within or outside China, the company undertakes that it will immediately terminate the participation, management or operation of such competitive securities business. 2. If the company has obtained any government approval, authorization or license to directly operate securities business, or other opportunities to operate securities business, the company undertakes that it will immediately waive such approval, authorization or license and not engage in any securities business. 3. Notwithstanding the commitments under clauses 1 and 2 above, in view of the fact that the company is a state-owned investment company engaged in investment in the financial industry established by the Chinese government, the company may, through other subsidiaries, engage in or participate in any competitive securities business within or outside China in any form (including but not limited to sole proprietorship, joint venture or cooperative cooperation and directly or indirectly holding shares or other interests of other companies or enterprises).	2015-01-26	During the tenure of actual controller	Ongoing performance

Cause of Commitment	Name of undertaking party	Details of Commitment	Start Date of Commitment	End Date of Commitment	Performance
		4. As a state-owned investment company engaged in investment in the financial industry established by the Chinese government, the company will treat the securities companies it invests in fairly. The company will not grant or provide the approval, authorization, permit or business opportunity for operation of securities business obtained or likely to be obtained by it to any securities company, and it will not use the status of Shenyin & Wanguo's actual controller or the information obtained from that status to make decisions or judgments that are not favorable to Shenyin & Wanguo and other securities companies invested by the company, and will avoid such objective results. When the company exercises its rights as the actual controller of Shenyin & Wanguo, the company will exercise its actual controller's rights in the most or best interests of Shenyin & Wanguo as if the only securities company invested by it is Shenyin & Wanguo. The company's investment in other securities companies will not affect its commercial judgments made as the actual controller of Shenyin & Wanguo to seek the most or best interests for Shenyin & Wanguo.			

Cause of Commitment	Name of undertaking party	Details of Commitment	Start Date of Commitment	End Date of Commitment	Performance
Initial public offering	China Jianyin Investment Ltd.	Letter of Commitment on Separation of Business, Asset, Personnel, Finance and Organisation The company, China Jianyin Investment Ltd., may be deemed as the related party of the controlling shareholder or its actual controller of the surviving company after the completion of the material asset restructuring of Hongyuan Securities and Shenyin & Wanguo Securities Co. Ltd. ("Shenyin & Wanguo"). The company makes the following irrevocable commitments to Shenyin & Wanguo: The company undertakes that after Shenyin & Wanguo completes the material asset restructuring with Hongyuan Securities and after the listing, the surviving company will be independent from the company and other companies controlled by the company in terms of asset, personnel, finance, organisation and business. Details are as follows: ① The assets of the surviving company are independent. The surviving company independently and completely owns the business system and relevant assets related to the operation, and is independent from the company and other companies controlled by the company. ② The personnel of the surviving company are independent. The senior management of the surviving company including the general manager, deputy general manager, chief financial officer and secretary of the board of directors do not hold any positions other than directors and supervisors in or receive salaries from the company and other companies controlled by the company; the financial personnel of the surviving company do not concurrently take other positions in the company and other companies controlled by the company. ③ The surviving company is financially independent. The surviving company has established an independent financial accounting system, which can make regular business decisions independently, has a standardized financial accounting system and a financial management system for branches and subsidiaries; the surviving company does not share bank accounts with the company and other companies controlled by the company.	2015-01-26	During the tenure of controlling shareholder	Ongoing performance

Cause of Commitment	Name of undertaking party	Details of Commitment	Start Date of Commitment	End Date of Commitment	Performance
		④ The organisation of the surviving company is independent. The surviving company has established a sound internal operation and management organisation, which independently exercises its operation and management functions, and there is no organisation mixed up with the company and other companies controlled by the company. ⑤ The business of the surviving company is independent. The business of the surviving company is independent from the company and other companies controlled by the company, and there is no obviously unfair related party transaction with the company and other companies controlled by the company. The company understands that Shenyin & Wanguo may rely on the confirmations and commitments made in this commitment. The company undertakes that if the company becomes aware of any information that would cause people to doubt the authenticity, accuracy and completeness of the information provided in this confirmation letter, the company will immediately notify Shenyin & Wanguo in writing of such information.			

Cause of Commitment	Name of undertaking party	Details of Commitment	Start Date of Commitment	End Date of Commitment	Performance
Initial public offering	Central Huijin Investment Ltd.	Letter of Commitment on Separation of Business, Asset, Personnel, Finance and Organisation The issuer has a complete business system and the ability to operate independently in the market. It is independent from the company and other companies controlled by the company in terms of asset, personnel, finance, organisation, and business. The company undertakes that after completion of the material asset restructuring with Hongyuan Securities Co., Ltd. and after the listing, it will be independent from the company and other companies controlled by the company in terms of asset, personnel, finance, organisation and business. Details are as follows: 1. The assets of the issuer are independent. The issuer independently and completely owns the business system and relevant assets related to the operation, and is independent from the company and other companies controlled by the company. 2. The personnel of the issuer are independent. The senior management of the issuer including the general manager, deputy general manager, chief financial officer and secretary of the board of directors do not hold any positions other than directors and supervisors in or receive salaries from the company and other companies controlled by the company; the financial personnel of the issuer do not concurrently take other positions in the company and other companies controlled by the company. 3. The issuer is financially independent. The issuer has established an independent financial accounting system, which can make regular business decisions independently, has a standardized financial accounting system and a financial management system for branches and subsidiaries; the issuer does not share bank accounts with the company and other companies controlled by the company.	2015-01-26	During the tenure of actual controller	Ongoing performance

Cause of Commitment	Name of undertaking party	Details of Commitment	Start Date of Commitment	End Date of Commitment	Performance
		4. The organisation of the issuer is independent. The issuer has established a sound internal operation and management organisation, which independently exercises its management functions, and there is no organisation mixed up with the company and other companies controlled by the company. 5. The business of the issuer is independent. The business of the issuer is independent from the company and other companies controlled by the company, and there is no obviously unfair related party transaction with the company and other companies controlled by the company.			

Cause of Commitment	Name of undertaking party	Details of Commitment	Start Date of Commitment	End Date of Commitment	Performance
Initial public offering and listing of H shares	Central Huijin Investment Ltd.	In accordance with Rule 10.07(1) of the Hong Kong Listing Rules, our controlling shareholder has undertaken to the Hong Kong Stock Exchange and to our Company that, except pursuant to the Global Offering, it shall not and shall procure that the relevant registered holder(s) shall not: (i) in the period commencing on the date by reference to which disclosure of its shareholding is made in the prospectus and ending on the date which is six months from the listing date ("Six-Month Period"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the shares directly or indirectly beneficially owned by it; and (ii) in the period of six months commencing from the expiry of the period referred to in paragraph (i) above, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests, or encumbrances in respect of, any of the shares referred to in paragraph (i) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it would cease to be a controlling shareholder of our Company. Nothing in the above shall prevent the controlling shareholder from pledging or charging any shares as security for a bona fide commercial loan in accordance with Note 2 to Rule 10.07(2) of the Hong Kong Listing Rules. In accordance with Note 3 to Rule 10.07(2) of the Hong Kong Listing Rules, our controlling shareholder has further undertaken to the Hong Kong Stock Exchange and to our Company that during the period referred to in paragraphs (i) and (ii) above: (i) if it pledges or charges the shares beneficially owned by it in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)), it will immediately inform the Company of such pledge or charge together with the number of shares so pledged or charged; and (ii) if it receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged shares will be disposed of, it will immediately inform the Company of such indications.	2019-04-12	2020-04-25	Performance completed

Cause of Commitment	Name of undertaking party	Details of Commitment	Start Date of Commitment	End Date of Commitment	Performance
Initial public offering and listing of H shares	The Company	The Company has also undertaken to each of the Joint Sponsors, the Joint Representatives, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that except (a) pursuant to the Global Offering (including the Over-allotment Option) or (b) with the prior written consent of the Joint Sponsors and the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters), and unless in compliance with the requirements of the Hong Kong Listing Rules, that the Company will not at any time during the Six-Month Period, whether conditionally or unconditionally: (i) allot, issue, offer, sell, contract to sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, pledge, grant or sell any option, warrant or right to subscribe for or purchase, contract to purchase, or create any interests or encumbrance in respect of, transfer or otherwise dispose of, directly or indirectly, any H Shares or any equity securities of the Company or any interest in any of the foregoing (including, without limitation, any securities which are convertible into or exchangeable or exercisable for, or represent the right to receive, or any warrants or other rights to purchase, any H Shares); or (ii) enter into a transaction or an arrangement (including, without limitation, a swap or other derivative transaction) that transfers, in whole or in part, any of the economic consequences of ownership of any H Shares, any other equity securities of the Company or any interest in any of the foregoing (including, without limitation, any securities which are convertible into or exchangeable or exercisable for, or represent the right to receive, or any warrants or other rights to purchase, any H Shares); or (iii) enter into any transaction with the same economic effect as any transaction described in (i) or (ii) above; or	2019-04-12	2020-04-11	Performance completed

Cause of Commitment	Name of undertaking party	Details of Commitment	Start Date of Commitment	End Date of Commitment	Performance
		(iv) offer or agree or announce any intention to do any of the foregoing, in each case, whether any of the foregoing transactions is to be settled by delivery of H Shares or such other equity securities of the Company, or in cash or otherwise (whether or not the issue of the H Shares or such other equity securities will be completed within the aforesaid period), provided that the foregoing restrictions shall not apply to the issue of H Shares by the Company pursuant to the Global Offering (including pursuant to the exercise of the Over-allotment Option). The Company further agrees that, in the event the Company intends to enter into any of the transactions described in (i), (ii) or (iii) above or offers to or agrees to or announces any intention to effect any such transaction during the period of six months commencing on the date on which the Six-Month Period expires (the "Second Six-Month Period"), it will take all reasonable steps to ensure that such transaction, agreement or, as the case may be, such announcement will not create a disorderly or false market in the securities of the Company.			

V. APPROPRIATION OF NON-OPERATING CAPITAL OF THE COMPANY BY THE CONTROLLING SHAREHOLDER AND ITS RELATED PARTIES

The controlling shareholder and its related parties did not have any appropriation of non-operating capital of the Company.

VI. APPOINTMENT OF ACCOUNTING FIRM, FINANCIAL ADVISOR AND SPONSOR

(I) Appointment of accounting firm

In 2020, the Company engaged KPMG Huazhen LLP and KPMG as the Company's auditors for 2020, to be responsible for the provision of the relevant audit and review services in accordance with the Accounting Standards for Enterprises of China and the International Financial Reporting Standards, respectively; KPMG Huazhen LLP was engaged as the Company's auditor for internal control for 2020 and the audit fee, including the fee for internal control, for 2020 was RMB5.5 million.

KPMG Huazhen LLP, as the current domestic auditor, has provided audit services for the Company for 8 consecutive years. Ms. Jin Naiwen, as the signing accountant, has provided audit services for the Company for 4 years and Ms. Liu Yejun, as the signing accountant, has provided audit services for the Company for 1 year. KPMG, as the overseas auditor, has provided audit services for the Company for 2 consecutive years. Mr. Pang Shing Chor Eric, as the signing accountant, has provided audit services for the Company for 2 years.

During the Reporting Period, the Company paid audit fee of RMB5.606 million to KPMG Huazhen LLP and KPMG.

The Company did not change its auditors in any of the past three years.

(II) Appointment of financial advisor and sponsor

During the Reporting Period, the Company did not engage any financial advisor or sponsor.

VII. MATERIAL LITIGATION AND ARBITRATION

(I) Overall Situation

During the Reporting Period, the Company had no material litigation or arbitration of which the respective amount exceeds 10% of the absolute value of the latest audited net assets of the Company and the absolute amount exceeds RMB10 million, and the aggregated amount of the litigation and arbitration in the past twelve months does not exceed 10% of the absolute value of the latest audited net assets of the Company.

(II) Relevant litigation and arbitration of the Company and its subsidiaries (excluding Shenwan Hongyuan Securities) during the Reporting Period

The case of a contract dispute raised by Hongyuan Huifu Capital Co., Ltd. against Pang Pengyuan, etc.

In April 2011, 8 shareholders including Hongyuan Huifu Capital Co., Ltd. ("Hongyuan Huifu"), Luzheng Venture Capital Co., Ltd. ("Luzheng Venture Capital"), and Shandong Swan Water Engineering Co., Ltd. ("Shandong Swan") and Pang Pengyuan entered into the Agreement on Capital Increase in Shandong Swan Water Engineering Co. Ltd. (the "Capital Increase Agreement"), pursuant to which Hongyuan Huifu and Luzheng Venture Capital, as strategic investors, shall subscribe capital increase in cash of Shandong Swan. Upon the capital increase, Shandong Swan was held as to 6.5% by Hongyuan Huifu. In the same month, Hongyuan Huifu, Pang Pengyuan and Shandong Swan entered into the Supplemental Agreement to the Agreement on Capital Increase in Shandong Swan Water Engineering Co., Ltd. (the "Supplemental Agreement"), under which they reached a consensus on the performance commitments of Shandong Swan for 2011 and 2012 and the completion of IPO review for Shandong Swan prior to December 31, 2013. Subsequently, Shandong Swan actually failed to meet the financial indicators stipulated in the Supplemental Agreement and also failed to pass the IPO review within the stipulated time limit. In order to protect the legitimate rights and interests of the company, in January 2020, Hongyuan Huifu filed a lawsuit against Pang Pengyuan and Shandong Swan with the Intermediate People's Court of Jinan City, Shandong Province, requesting an order that: (1) Pang Pengyuan and Shandong Swan jointly pay RMB8.75 million as performance compensation for 2011 and interest at an annual rate of 10% for the period from January 1, 2013 to the actual payment date; (2) Shandong Swan pay RMB10 million as performance compensation for 2012; (3) Hongyuan Huifu enjoy the priority to be compensated for the proceeds from the auction and sale of the shares of Shandong Swan in an amount of RMB7.07 million as pledged by Pang Pengyuan; (4) Pang Yuanpeng repurchase the 6.5% equity interest of Shandong Swan as held by Hongyuan Huifu at an aggregate consideration of RMB72.46 million as of December 31, 2019; (5) Shandong Swan bear joint and several guarantee for the request under clause 4; (6) The litigation costs be borne by Pang Pengyuan and Shandong Swan.

On September 21, 2020, Hongyuan Huifu received the first instance judgment from the Intermediate People's Court of Jinan City in Shandong Province, stating that Pang Pengyuan should pay Hongyuan Huifu RMB10 million as performance compensation within ten days after the judgment took effect; that Hongyuan Huifu should have the priority right for claim by way of discounting the shares of Shandong Swan held by Pang Pengyuan in an amount of RMB7,069,781.25 or at the auction or sale price within the debt scope determined in the first item of the judgment; that Pang Pengyuan should repurchase the 6.5% equity interest in Shandong Swan held by Hongyuan Huifu and pay RMB72,465,232.19 for the equity transfer within ten days after the judgment took effect; that other claims of Hongyuan Huifu be rejected; and that the litigation fee be borne by Pang Pengyuan in an amount of RMB450,116 and Hongyuan Huifu in an amount of RMB47,760 and the property preservation fee be borne by Pang Pengyuan in an amount of RMB4,520 and Hongyuan Huifu in an amount of RMB480.

Pang Pengyuan refused to accept the first instance judgment and appealed to the Higher People's Court of Shandong Province. In December 2020, Hongyuan Huifu received the civil ruling from Higher People's Court of Shandong Province that as Pang Pengyuan failed to pay the litigation fee as scheduled, it was ruled that the case be deemed to be automatically withdrawn by the appellant Pang Pengyuan and the first instance judgment become legally effective from the date of service of the second instance.

(III) Relevant litigation and arbitration of Shenwan Hongyuan Securities (a subsidiary of the Company which is referred to as the "company" in this sub-section for the purpose of being clear and concise) and its subsidiaries during the Reporting Period

1. The case of the dispute over pledged securities repurchase raised by Shenwan Hongyuan Securities Co., Ltd. against Weng Wuyou, Lin Yongfei and Weng Yayun

The company and Weng Wuyou entered into the Business Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. in June 2016 and the Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. in February 2018 (the "Agreements"), pursuant to which, the two parties would proceed pledged securities repurchase transaction with the company being the lender and Weng Wuyou being the borrower. Pursuant to the provisions of the Agreements, Weng Wuyou was financed by the company with an aggregate amount of RMB99 million with 12,000,000 shares of "Modern Avenue" (stock code: 002656.SZ) held by Weng Wuyou as the subject of the pledge. Lin Yongfei and the company entered into the Guarantee Contract, pursuant to which Lin Yongfei shall bear joint and several liability for all debts under the Agreements. In addition, the company also entered into the Share Pledge Guarantee Contract with Weng Wuyou and Lin Yongfei, pursuant to which the company shall be the pledgee and Lin Yongfei shall bear the guarantee responsibility for the debts of Weng Wuyou under the Agreements with 18,800,000 shares of "Modern avenue" held by Lin Yongfei as the subject of the pledge. As Lin Yongfei's spouse, Weng Yayun issued a Spouse Informed Consent Letter to the company, pursuant to which Weng Yayun agreed in writing to the Guarantee Contract signed by Lin Yongfei and confirmed Lin Yongfei's guarantee obligations relates to all his properties. In December 2018, Weng Wuyou failed to pay the corresponding interests as stipulated in the contract, and failed to conduct the repurchase as agreed, and Lin Yongfei also failed to assume the corresponding guarantee liability as stipulated in the contract. In order to protect its legitimate rights and interests, the company filed a lawsuit with the Shanghai Financial Court. On March 25, 2020, the Shanghai Financial Court issued a notice of acceptance. On March 11, 2021, the company received the first-instance judgment issued by the Shanghai Financial Court. The main contents of the judgment are as follows: (1) the defendant Weng Wuyou shall repay the company's capital in an amount of RMB99,000,000 within ten days from the effective date of this judgment; (2) the defendant Weng Wuyou shall pay the company interest calculated at an annual interest rate of 6.3% based on the principal of RMB99,000,000 for the period from March 21, 2019 to the date of actual repayment within ten days from the effective date of this judgment; (3) the defendant Weng Wuyou shall pay the company liquidated damages calculated at an annual interest rate of 17.7% based on the principal of RMB99,000,000 for the period from December 24, 2018 to the date of actual repayment within ten days from the effective date of this judgment; (4) the defendants Lin Yongfei and Weng Yayun shall bear joint and several liability for the payment obligations of the defendant Weng Wuyou under the first to three items above, and the defendants Lin Yongfei and Weng Yayun shall have the right to claim from the defendant Weng Wuyou after fulfilling the payment obligations; (5) If the defendant Weng Wuyou fails to fulfill the payment obligations under the first to third items of this judgment, the company may agree with the defendant Weng Wuyou to enjoy the priority right for claim by way of discounting the pledged 19,200,000 shares of Modern Avenue Fashion Group Co., Ltd. (stock code: 002656), or at the auction or sale price of the pledged shares. The excess of the discount or auction or sales price after deducting the amount of the creditor's rights should belong to the defendant Weng Wuyou, or the shortfall should be paid by the defendant Weng Wuyou; (6) If the defendant Weng Wuyou fails to fulfill the payment obligations

under the first to third items of this judgment, the company may agree with the defendant Lin Yongfei to enjoy the priority right for claim by way of discounting the pledged 2,800,000 shares of Modern Avenue Fashion Group Co., Ltd. (stock code: 002656), or at the auction or sale price of the pledged shares. The excess of the discount or auction or sales price after deducting the amount of the creditor's rights should belong to the defendant Lin Yongfei, or the shortfall should be paid by the defendant Weng Wuyou; (7) the rest claims be rejected.

As of the end of the Reporting Period, the above judgment has not come into effect.

2. **The case of the dispute over the pledged securities repurchase raised by Shenwan Hongyuan Securities Co., Ltd. against Shen Peijin and Zhu Lijing**

In April 2017, the company and Shen Peijin entered into the Business Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. and the Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. (the "Agreements"), pursuant to which, the two parties would proceed pledged securities repurchase transaction with the company being the lender and Shen Peijin being the borrower. Pursuant to the provisions of the Agreements, Shen Peijin was financed by the company with an amount of RMB700 million with 174,650,000 shares of "Shenghua Biok" (stock code: 600226.SH, subsequently renamed as "Hugeleaf") held by Shen Peijin as the subject of the pledge. As the spouse of Shen Peijin, Zhu Lijing issued a Spouse Consent Letter to the company, and promised to jointly bear the pledge financing liabilities and all legal liabilities arising therefrom with Shen Peijin. Subsequently, Shen Peijin repaid part of the principal in an amount of RMB5 million to the company in advance, and additionally pledged 15,666,251 shares of "Hugeleaf". Therefore, upon the conversion into share capital, Shen Peijin pledged a total of 333,529,251 shares of "Hugeleaf" to the company. On October 17, 2018, the performance guarantee ratio of Shen Peijin fell below the agreed minimum performance guarantee ratio. Shen Peijin failed to lift the performance guarantee ratio to above the threshold value or take other performance guarantee measures, which constituted a breach of contract under the Agreements, and Shen Peijin shall bear corresponding liabilities for breach of contract in accordance with the Agreements.

In order to protect its legitimate rights and interests, the company filed a lawsuit with the Shanghai Financial Court. On April 28, 2020, the Shanghai Financial Court issued a notice of acceptance. On January 10, 2021, the company received the first instance judgment made by the Shanghai Financial Court on December 21, 2020. The main contents of the judgment are as follows: (1) Shen Peijin and Zhu Lijing, being defendants, should return the company principal of RMB695,000,000 within ten days from the effective date of this judgment. (2) Shen Peijin and Zhu Lijing, being defendants, should pay the company interest of RMB4,633,333.33 for the period within ten days from the effective date of this judgment. (3) Shen Peijin and Zhu Lijing, being defendants, should pay the company liquidated damages of RMB84,266,666.67 for the period from December 10, 2018 to April 22, 2020 and pay the company liquidated damages calculated with RMB695 million as the base at a daily interest rate of five ten thousandths for the period from April 23, 2020 to the date of actual settlement within ten days from the effective date of this judgment. (4) If Shen Peijin and Zhu Lijing, being defendants, fail to fulfill the payment obligations under items (1) to (3) above, the company may agree with the defendant Shen Peijin to enjoy the priority right for claim by way of discounting the pledged 333,529,251 shares of

"Hugeleaf" (stock code: 600226.SH), or at the auction or sale price of the pledged shares. The excess of the discount or auction or sales price after deducting the amount of the creditor's rights should belong to the defendant Shen Peijin, or the shortfall should be paid by Shen Peijin and Zhu Lijing, being defendants.

As of now, the judgment of this case has come into effect and is in the process of execution.

3. The cases of the dispute over the pledged securities repurchase raised by the company against Ke Zonggui and Chen Seqin

(1) On March 14, 2017, the company and Ke Zonggui entered into the Business Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. and the Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. (the "Agreements"), pursuant to which, the two parties would proceed pledged securities repurchase transaction with the company being the lender and Ke Zonggui being the borrower.

Pursuant to the provisions of the Agreements, Ke Zonggui was initially financed by the company with an amount of RMB83 million with 11,000,000 shares of "Bluedon" (stock code: 300297.SZ) held by Ke Zonggui as the subject of the pledge. Chen Seqin, as the spouse of Ke Zonggui, issued a Consent Letter in relation to Ke Zonggui's engagement in the abovementioned repurchase, and clearly expressed the willingness to jointly assume all the liabilities arising from this financing and all the legal liabilities arising therefrom. In addition, for the abovementioned repurchase, China Express Co., Ltd.* (中經匯通有限責任公司) provided 12 million shares of Bluedon for share pledge, and Ma Meirong provided 70% of equity interest in Guangzhou Aobang Investment Consulting Co., Ltd.* (廣州奧邦投資諮詢有限公司) held by her for equity pledge.

Ke Zonggui has failed to pay interest in accordance with the Agreements since March 23, 2020, and has not completed the repurchase transaction. In addition, in April 2020, Bluedon under the name of Ke Zonggui was judicially frozen by another court, which constituted a breach of contract under the Agreements, and Ke Zonggui should bear the corresponding liabilities for breach of contract in accordance with the Agreements.

In order to protect its legitimate rights and interests, the company filed a lawsuit with the Shanghai Financial Court. On August 10, 2020, the Shanghai Financial Court issued a notice of acceptance.

As of the end of the Reporting Period, this case has not yet been judged.

(2) On March 27, 2017, the company and Ke Zonggui entered into the Business Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. and the Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. (the "Agreements"), pursuant to which, the two parties would proceed pledged securities repurchase transaction with the company being the lender and Ke Zonggui being the borrower.

Pursuant to the provisions of the Agreements, Ke Zonggui was initially financed by the plaintiff with an amount of RMB100 million with 15,980,000 shares of "Bluedon" (stock code: 300297. SZ) held by Ke Zonggui as the subject of the pledge. Chen Seqin, as the spouse of Ke Zonggui, issued a Consent Letter in relation to Ke Zonggui's engagement in the abovementioned repurchase, and clearly expressed the willingness to jointly assume all the liabilities arising from this financing and all the legal liabilities arising therefrom. In addition, for the abovementioned repurchase, China Express Co., Ltd. provided 10 million shares of Bluedon for share pledge, and Ma Meirong provided 70% of equity interest in Guangzhou Aobang Investment Consulting Co., Ltd. held by her for equity pledge.

During the performance of the Agreements, Ke Zonggui repaid principal in an amount of RMB40 million. Ke Zonggui has failed to pay interest in accordance with the Agreements since March 23, 2020, and has not completed the repurchase transaction. In addition, in April 2020, Bluedon under the name of Ke Zonggui was judicially frozen by another court, which constituted a breach of contract under the Agreements, and Ke Zonggui should bear the corresponding liabilities for breach of contract in accordance with the Agreements.

In order to protect its legitimate rights and interests, the company filed a lawsuit with the Shanghai Financial Court. On August 10, 2020, the Shanghai Financial Court issued a notice of acceptance.

As of the end of the Reporting Period, this case has not yet been judged.

(3) On July 6, 2017, the company and Ke Zonggui entered into the Business Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. and the Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. (the "Agreements"), pursuant to which, the two parties would proceed pledged securities repurchase transaction with the company being the lender and Ke Zonggui being the borrower.

Pursuant to the provisions of the Agreements, Ke Zonggui was initially financed by the company with an amount of RMB90 million with 16,713,000 shares of "Bluedon" (stock code: 300297.SZ) held by Ke Zonggui as the subject of the pledge. Chen Seqin, as the spouse of Ke Zonggui, issued a Consent Letter in relation to Ke Zonggui's engagement in the abovementioned repurchase, and clearly expressed the willingness to jointly assume all the liabilities arising from this financing and all the legal liabilities arising therefrom. In addition, for the abovementioned repurchase, Ma Meirong provided 70% of equity interest in Guangzhou Aobang Investment Consulting Co., Ltd. held by her for equity pledge.

During the performance of the Agreements, Ke Zonggui repaid part of the principal. Subsequently, Ke Zonggui failed to pay interest in accordance with the Agreements, and has not completed the repurchase transaction. In addition, in April 2020, Bluedon under the name of Ke Zonggui was judicially frozen by another court, which constituted a breach of contract under the Agreements, and Ke Zonggui should bear the corresponding liabilities for breach of contract in accordance with the Agreements.

In order to protect its legitimate rights and interests, the company filed a lawsuit with the People's Court of Xuhui District of Shanghai. On August 10, 2020, the People's Court of Xuhui District of Shanghai issued a notice of acceptance.

As of the end of the Reporting Period, this case has not yet been judged.

4. The cases of the dispute over the pledged securities repurchase raised by the company against Ke Zongqing and Tan Aiwu

(1) The company and Ke Zonggui entered into the Business Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. dated July 7, 2017 and the Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. dated September 25, 2017 (the "Agreements"), pursuant to which, the two parties would proceed pledged securities repurchase transaction with the company being the lender and Ke Zongqing being the borrower.

Pursuant to the provisions of the Agreements, Ke Zongqing was initially financed by the company with an amount of RMB65 million with 12,070,000 shares of "Bluedon" (stock code: 300297.SZ) held by Ke Zongqing as the subject of the pledge. Tan Aiwu, as the spouse of Ke Zongqing, issued a Consent Letter in relation to Ke Zongqing's engagement in the abovementioned repurchase, and clearly expressed the willingness to jointly assume all the liabilities arising from this financing and all the legal liabilities arising therefrom.

During the performance of the Agreements, Ke Zongqing repaid part of the principal. Subsequently, Ke Zongqing failed to complete the repurchase in accordance with the Agreements, and according to the inquiry by the company, the shares of Bluedon pledged by Ke Zongqing with the company were judicially frozen by another court, which constituted a breach of contract under the Agreements, and Ke Zongqing should bear the corresponding liabilities for breach of contract in accordance with the Agreements.

In order to protect its legitimate rights and interests, the company filed a lawsuit with the People's Court of Xuhui District of Shanghai. On August 10, 2020, the People's Court of Xuhui District of Shanghai issued a notice of acceptance. Later, both parties reached mediation through the organization of the court. On November 3, 2020, the company received a paper of civil mediation [(2020) Hu 0104 Min Chu 19545] issued by the court on October 20, 2020. The main contents are as follows: (1) Ke Zongqing should pay the initial transaction amount of RMB36,964,188.00, as well as the liquidated damages and interest for the period from December 14, 2019 to April 16, 2020 in a total amount of RMB2,497,612.53 and the interest and liquidated damages calculated with RMB36,964,188.00 as the base at the annual interest rate of 24% for the period from April 17, 2020 to the date of actual settlement to the company before October 28, 2020; (2) If Ke Zongqing fails to fulfill the payment obligations in accordance with the first item above, the company may agree with Ke Zongqing to enjoy the priority right for claim through discounting the 13,379,999 shares of "Bluedon" (stock code: 300297) held by Ke Zongqing and the fruits thereof or with the proceeds from the auction or sale of the pledged property. After the pledged property is discounted or auctioned or sold, the excess of the proceeds after deducting the amount of the creditor's rights should be owned by Ke Zongqing, or the shortfall should be further paid by Ke Zongqing; (3) the litigation fee should be borne by Ke Zongqing; (4) Tan Aiwu shall be jointly and severally liable for the payment obligations determined under the above items one to three. Ke Zongqing failed to perform the repayment obligations in accordance with the effective mediation paper, and the company proposed to apply to the court for compulsory execution.

(2) On April 27, 2018, the company and Ke Zonggui entered into the Business Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. and the Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. (the "Agreements"), pursuant to which, the two parties would proceed pledged securities repurchase transaction with the company being the lender and Ke Zongqing being the borrower.

Pursuant to the provisions of the Agreements, Ke Zongqing was initially financed by the company with an amount of RMB69.9 million with 19,500,000 shares of "Bluedon" (stock code: 300297.SZ) held by Ke Zongqing as the subject of the pledge. Tan Aiwu, as the spouse of Ke Zongqing, issued a Consent Letter in relation to Ke Zongqing's engagement in the abovementioned repurchase, and clearly expressed the willingness to jointly assume all the liabilities arising from this financing and all the legal liabilities arising therefrom.

During the performance of the Agreements, Ke Zongqing repaid part of the principal. Subsequently, Ke Zongqing failed to complete the repurchase in accordance with the Agreements, and according to the inquiry by the company, the shares of Bluedon pledged by Ke Zongqing with the company were judicially frozen by another court, which constituted a breach of contract under the Agreements, and Ke Zongqing should bear the corresponding liabilities for breach of contract in accordance with the Agreements.

In order to protect its legitimate rights and interests, the company filed a lawsuit with the People's Court of Xuhui District of Shanghai. On August 10, 2020, the People's Court of Xuhui District of Shanghai issued a notice of acceptance. Later, both parties reached mediation through the organization of the court. On November 3, 2020, the company received a paper of civil mediation [(2020) Hu 0104 Min Chu 19547] issued by the court on October 20, 2020. The main contents are as follows: (1) Ke Zongqing should pay the initial transaction amount of RMB43,230,000.00, as well as the liquidated damages and interest for the period from March 23, 2020 to May 20, 2020 in a total amount of RMB676,999.03 and the interest and liquidated damages calculated with RMB43,230,000.00 as the base at the annual interest rate of 24% for the period from May 21, 2020 to the date of actual settlement to the company before October 28, 2020; (2) If Ke Zongqing fails to fulfill the payment obligations in accordance with the first item above, the company may agree with Ke Zongqing to enjoy the priority right for claim through discounting the 19,900,000 shares of "Bluedon" (stock code: 300297) held by Ke Zongqing and the fruits thereof or with the proceeds from the auction or sale of the pledged property. After the pledged property is discounted or auctioned or sold, the excess of the proceeds after deducting the amount of the creditor's rights should be owned by Ke Zongqing, or the shortfall should be further paid by Ke Zongqing; (3) the litigation fee should be borne by Ke Zongqing; (4) Tan Aiwu shall be jointly and severally liable for the payment obligations determined under the above items one to three. Ke Zongqing failed to perform the repayment obligations in accordance with the effective mediation paper, and the company proposed to apply to the court for compulsory execution.

(3) On April 27, 2018, the company and Ke Zonggui entered into the Business Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. and the Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. (the "Agreements"), pursuant to which, the two parties would proceed pledged securities repurchase transaction with the company being the lender and Ke Zongqing being the borrower.

Pursuant to the provisions of the Agreements, Ke Zongqing was initially financed by the company with an amount of RMB25.1 million with 7,000,000 shares of "Bluedon" (stock code: 300297.SZ) held by Ke Zongqing as the subject of the pledge. Tan Aiwu, as the spouse of Ke Zongqing, issued a Consent Letter in relation to Ke Zongqing's engagement in the abovementioned repurchase, and clearly expressed the willingness to jointly assume all the liabilities arising from this financing and all the legal liabilities arising therefrom.

During the performance of the Agreements, Ke Zongqing repaid part of the principal. Subsequently, as the performance guarantee ratio fell below the close-out level, Ke Zongqing failed to repurchase the principal and interests in accordance with the Agreements, and according to the inquiry by the company, the shares of Bluedon pledged by Ke Zongqing with the plaintiff were judicially frozen by another court, which constituted a breach of contract under the Agreements, and Ke Zongqing should bear the corresponding liabilities for breach of contract in accordance with the Agreements.

In order to protect its legitimate rights and interests, the company filed a lawsuit with the People's Court of Xuhui District of Shanghai. On August 10, 2020, the People's Court of Xuhui District of Shanghai issued a notice of acceptance. Later, both parties reached mediation through the organization of the court. On November 3, 2020, the company received a paper of civil mediation [(2020) Hu 0104 Min Chu 19548] issued by the court on October 20, 2020. The main contents are as follows: (1) Ke Zongqing should pay the initial transaction amount of RMB14,990,000.00, as well as the liquidated damages and interest for the period from March 23, 2020 to May 13, 2020 in a total amount of RMB344,074.17 and the interest and liquidated damages calculated with RMB14,990,000.00 as the base at the annual interest rate of 24% for the period from May 14, 2020 to the date of actual settlement to the company before October 28, 2020; (2) If Ke Zongqing fails to fulfill the payment obligations in accordance with the first item above, the company may agree with Ke Zongqing to enjoy the priority right for claim through discounting the 6,326,999 shares of "Bluedon" (stock code: 300297) held by Ke Zongqing and the fruits thereof or with the proceeds from the auction or sale of the pledged property. After the pledged property is discounted or auctioned or sold, the excess of the proceeds after deducting the amount of the creditor's rights should be owned by Ke Zongqing, or the shortfall should be further paid by Ke Zongqing; (3) the litigation fee should be borne by Ke Zongqing; (4) Tan Aiwu shall be jointly and severally liable for the payment obligations determined under the above items one to three. Ke Zongqing failed to perform the repayment obligations in accordance with the effective mediation paper, and the company proposed to apply to the court for compulsory execution.

5. The case of the dispute over the margin financing and securities lending transaction raised by the company against Liu Xiangdai

On December 20, 2019, the company and Liu Xiangdai entered into the Contract on Margin Financing and Securities Lending of Shenwan Hongyuan Securities Co., Ltd. During Liu Xiangdai's financing for purchase of shares, the guarantee ratio of the credit account was lower than the close-out level. According to the contract, the company reminded Liu Xiang in writing, asking Liu Xiang to maintain the guarantee ratio above the warning line. Later, Liu Xiangdai did not take effective measures to raise and maintain the guarantee ratio. On December 15, 2020, the company conducted a forced liquidation for Liu Xiangdai's account. The financing principal of RMB107,632,375.2 owned by Liu Xiangdai to the company has not been repaid. After the demand repayment failed, in order to protect its legitimate rights and interests, the company filed a lawsuit with the Shanghai Financial Court, requiring Liu Xiangdai to perform the repayment obligations. On January 12, 2021, the Shanghai Financial Court accepted the lawsuit.

As of the end of the Reporting Period, the company has not received any judgment.

6. The case of the dispute over the agreement on pledged securities repurchase raised by the company against TruValue Asset Management Co., Ltd.

On October 9, 2018, the TruValue Linshui Ronfu No. 2 Asset Management Plan ("Linshui Ronfu No. 2") for which Shenyin Wanguo Tiantianzeng No. 1 Collective Asset Management Plan under the management of Shenwan Hongyuan Securities Co., Ltd. ("Tiantianzeng No. 1") as the lender, TruValue Asset Management Co., Ltd. (the "respondent, TruValue") as the borrower and Guorong Securities Co., Ltd. ("Guorong Securities") as the investment adviser conducted a pledged securities repurchase on the Shenzhen Stock Exchange at a consideration of RMB70,000,000.00. The pledged bonds are 100,000 lots of "17 Guogou 01" (code of pledged bonds: 114217). The repurchase term was 92 days and the annualized interest rate was 6.2%.

On January 9, 2019, TruValue and Linshui Rongfu No. 2 managed by it failed to perform the repayment obligations of the borrower on the agreed due date, which constituted a substantial breach of contract. By the time the plaintiff applied for arbitration, the respondent had not fulfilled the obligation of repayment after repeated reminders by the plaintiff.

In order to protect the legal rights and interests of the company and its client, on October 9, 2020, the company, as the manager, filed an arbitration with the Shenzhen Court of International Arbitration and the arbitration was accepted.

As of the end of the Reporting Period, this case has not yet been judged.

7. The case of the dispute over the margin financing and securities lending transaction raised by the company against Zhang Liuyang

On June 18, 2020, the company and Zhang Liuyang entered into the Contract on Margin Financing and Securities Lending of Shenwan Hongyuan Securities Co., Ltd. During Zhang Liuyang's financing for purchase of shares, the guarantee ratio of the credit account was lower than the close-out level. According to the contract, the company reminded Zhang Liuyang in writing, asking Zhang Liuyang

to maintain the guarantee ratio above the warning line. Later, Zhang Liuyang did not take effective measures to raise and maintain the guarantee ratio. On December 15, 2020, the company conducted a forced liquidation for Zhang Liuyang's account. The financing principal of RMB85,400,805.71 owned by Zhang Liuyang to the company has not been repaid. After the demand repayment failed, in order to protect its legitimate rights and interests, the company filed a lawsuit with the Shanghai Financial Court, requiring Zhang Liuyang to perform the repayment obligations. On January 12, 2021, the Shanghai Financial Court accepted the lawsuit.

As of the end of the Reporting Period, the company has not received any judgment.

8. The case of the dispute over the fund contract raised by Jolywood (Suzhou) Sunwatt Co., Ltd. against the company

On October 24, 2019, Shenwan Hongyuan Securities entered into the Fund Contract in relation to Hongsheng Tenglong No. 4 Private Securities Investment Fund with Jolywood (Suzhou) Sunwatt Co., Ltd. ("Jolywood") and Hongsheng Asset Management (Shenzhen) Co., Ltd. ("Hongsheng Assets"), pursuant to which Jolywood was the fund trustor, Hongsheng Assets was the fund manager, and Shenwan Hongyuan Securities was the fund trustee. Subsequently, the private equity fund incurred investment losses. Jolywood believed that Hongsheng Assets failed to perform its trustee obligations, manage and operate fund assets, and perform the obligations including fund redemption and disclosure of major risks in a timely manner in the principles of good faith and diligence; and that Shenwan Hongyuan Securities failed to fulfill the corresponding obligations of the custodian. Therefore, it applied to the Shanghai Arbitration Commission for arbitration, requiring (1) Hongsheng Assets to compensate the investment principal loss of RMB50 million and related interest losses; (2) Shenwan Hongyuan Securities, as the custodian, to be jointly and severally liable for Hongsheng Assets' compensation obligations. On January 27, 2021, the Shanghai Arbitration Commission accepted the case.

As of the end of the Reporting Period, the session of the case has not yet been commenced.

(IV) The latest development of the historical cases of Shenwan Hongyuan Securities (a subsidiary of the Company, which is referred to as the "company" in this sub-section for the purpose of being clear and concise) during the Reporting Period

1. The case of the dispute over the housing demolition and relocation compensation agreement raised by the company against Dalian Deta Holding Co., Ltd.

On January 25, 2008, the company's Dalian Jinma Road Securities Branch ("Jinma Road Securities Branch") and Dalian Deta Holding Co., Ltd. ("Dalian Deta") entered into a housing demolition and relocation compensation agreement, pursuant to which Dalian Deta, as the demolisher, conducted demolition and resettlement for the houses on 1-7 floors located at No. 178 Jinma Road, Dalian Development Zone, owned by Jinma Road Securities Branch, and both parties agreed on the standards for Dalian Deta to arrange resettlement housing for Jinma Road Securities Branch. Meanwhile, Dalian Deta undertook to deliver the resettlement housing to Jinma Road Securities Branch for use by June 30, 2010. Subsequently, Dalian Deta has been unable to provide houses to Jinma Road Securities Branch as scheduled. On October 17, 2014, Dalian Deta notified Jinma Road Securities Branch to proceed with the delivery of resettlement housing. After the inspection of the resettlement housing

by Jinma Road Securities Branch, it was found that the resettlement housing provided by Dalian Deta were seriously inconsistent with the relocation plan under the housing demolition and relocation compensation agreement, and there were major flaws in the various settings, which could not satisfy Jinma Road Securities Branch's requirements on houses for the purposes of securities branch. Jinma Road Securities Branch has repeatedly communicated with Dalian Deta on resettlement to find a solution, but Dalian Deta failed to provide any reasonable solution.

On October 8, 2019, Jinma Road Securities Branch of the company filed a lawsuit against the Dalian Deta with the Intermediate People's Court of Dalian City and applied for property preservation, under which, it requested: (1) Dalian Deta re-provide Jinma Road Securities Branch with a house with an area of 5,000 square meters and in line with the house type in the graphic design as agreed in the Compensation Agreement for the Demolition and Resettlement of Huaqing Building; (2) If Dalian Deta is unable to proceed with the resettlement, the Compensation Agreement for the Demolition and Resettlement of Huaqing Building and the Supplemental Agreement to the Compensation Agreement for the Demolition and Resettlement of Huaqing Building entered into between both parties on January 25, 2008 be cancelled according to law, and the defendant pay economic loss of RMB53.4659 million (temporarily calculated at RMB10,652 per square meter, the specific unit price is determined based on the valuation results of the resettlement housing); (3) Dalian Deta pay liquidated damages of RMB26,732.95 (tentatively determined based on the valuation results of the resettlement housing); (4) Dalian Deta pay rent loss of RMB2,974,750 (from July 1, 2014 to the actual delivery of the housing, based on the standard of RMB0.59495 million per year, temporarily calculated until July 1, 2019); (5) the acceptance fee, evaluation cost in connection with this case and other fees be borne by Dalian Deta.

On September 29, 2020, Jinma Road Securities Branch reached a settlement agreement with Dalian Deta, pursuant to which Dalian Deta promised to renovate and rectify the properties in accordance with the requirements, and bear the cost of property fees during the vacant period of the relocation. After Dalian Deta completes the renovation, the securities branch would accept the houses. After the settlement agreement was signed, Jinma Road Securities Branch applied to the Intermediate People's Court of Dalian City to withdraw the lawsuit. On October 19, 2020, the company received the ruling approving the withdrawal of the lawsuit from the Intermediate People's Court of Dalian City. The case was closed.

2. The case of the dispute over the pledged securities repurchase raised by the company against Cai Xiaoru

In June 2017, the company and Cai Xiaoru entered into the Business Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. and the Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. (the "Agreements"), pursuant to which, the two parties would proceed pledged securities repurchase transaction with the company being the lender and Cai Xiaoru being the borrower, respectively. Pursuant to the provisions of the Agreements, the respondent was financed by the company with an amount of RMB91.5 million with 18,270,000 shares of "Tatwah Smartech" (stock code: 002512.SZ) held by Cai Xiaoru as the subject of the pledge. Subsequently, Cai Xiaoru partially repurchased a total of RMB15.8 million and replenished the pledge with a total of 35,050,000 shares of "Tatwah Smartech". After the partial release of the pledge, the company is still the pledge for the 53,319,997 shares of "Tatwah

Smartech" according to law. Cai Xiaoru's failure to fully complete the repurchase on January 25, 2019 in accordance with the Agreements constituted a breach of contract and shall bear corresponding liabilities for breach of contract in accordance with the Agreements.

In August 2019, the company filed a request for arbitration with Guangzhou Arbitration Commission, requesting Cai Xiaoru to bear the default liability. The principal of the subject matter under this litigation was RMB75.7 million. In October 2019, the Guangzhou Arbitration Commission made a ruling as follows: (1) Cai Xiaoru shall return the company's financing principal of RMB75.7 million and pay the corresponding interests and liquidated damages; (2) Cai Xiaoru shall compensate the company's attorney fee of RMB0.49 million; (3) The company shall enjoy a preferential right to receive compensation with the proceeds from the discount or auction of the 53,319,997 shares of Tatwah Smartech or sales of the pledged shares within the scope of the creditor's rights as determined in clauses (1) and (2); (4) The arbitration fee of RMB580,315 of this case shall be borne by Cai Xiaoru. The arbitral award is final and effective from the date on which it is made. The company has applied to the court for enforcement.

As of the end of the Reporting Period, the case is in the process of enforcement.

3. **The case of the dispute over the pledged securities repurchase raised by the company against CITIC Guoan Group Corporation**

In April 2018, the company and CITIC Guoan Group Corporation (CITIC Guoan) entered into the Business Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. In April to October 2018, both parties entered into 5 Agreements on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. (the "Agreements"), pursuant to which, the two parties would proceed pledged securities repurchase transaction with the company being the lender and CITIC Guoan being the borrower, respectively. Pursuant to the provisions of the Agreements, CITIC Guoan was financed by the company with an aggregate amount of RMB460 million with 143,050,000 shares of "CITIC Guoan Wine" (stock code: 600084.SH) held by CITIC Guoan as the subject of the pledge. Subsequently, CITIC Guoan further pledged 72,400,000 shares of CITIC Guoan Wine in total to the company. On October 18, 2018, as the closing price of the shares of "CITIC Guoan Wine" dropped to RMB3 per share, the performance guarantee ratio under the Agreements fell below the agreed minimum performance guarantee ratio. CITIC Guoan failed to lift the performance guarantee ratio to above the agreed value and to pay the due interest in full and the pledged shares were judicially frozen, which constituted a breach of contract under the Agreements, and CITIC Guoan shall bear corresponding liabilities for breach of contract in accordance with the Agreements. On December 11, 2019, the company filed a lawsuit with Shanghai Financial Court and the case was accepted. On January 7, 2020, the case was handed over to the Third Intermediate People's Court of Beijing for trial.

As of the end of the Reporting Period, this case has not yet been judged.

4. **The case of the dispute over the pledged securities repurchase raised by the company against CITIC Guoan Investment Co., Ltd. and CITIC Guoan Group Corporation**

In March 2018, the company and CITIC Guoan Investment Co., Ltd. ("Guoan Investment") entered into the Business Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. and the Agreement on Pledged Securities Repurchase of the Shares of Shenwan Hongyuan Securities Co., Ltd. (the "Agreements"), pursuant to which, the two parties would proceed pledged securities repurchase transaction with the company being the lender and Guoan Investment being the borrower, respectively. Pursuant to the provisions of the Agreements, Guoan Investment was financed by the company with an aggregate amount of RMB400 million with 125,523,000 shares of "CITIC Guoan Wine" (stock code: 600084.SH) held by Guoan Investment as the subject of the pledge. On March 13, 2018, CITIC Guoan Group Corporation ("CITIC Guoan") entered into the Guarantee Contract with the company and CITIC Guoan assumed joint and several liabilities for all debts under the Agreements. On October 11, 2018, as the closing price of the shares of "CITIC Guoan Wine" dropped to RMB3.5 per share, the performance guarantee ratio under the Agreements fell below the agreed minimum performance guarantee ratio. Guoan Investment failed to lift the performance guarantee ratio to above the agreed value and to pay the due interest in full and the pledged shares were judicially frozen, which constituted a breach of contract under the Agreements, and Guoan Investment shall bear corresponding liabilities for breach of contract in accordance with the Agreements. CITIC Guoan also failed to assume corresponding guarantee obligations as agreed in the contract. On December 11, 2019, the company filed a lawsuit with the Shanghai Financial Court and the case was accepted. On January 7, 2020, the case was handed over to the Third Intermediate People's Court of Beijing for trial.

As of the end of the Reporting Period, this case has not yet been judged.

5. **The case of the dispute over pledged securities repurchase raised by the company against Peng Peng and Wei Yueping**

From August to September 2016, the company entered into a pledged securities repurchase agreement with Peng Peng, pursuant to which, the two parties would proceed with stock-pledged repurchase transaction with the company and Peng Peng as the lender and borrower, respectively. Pursuant to the provisions of the agreement, Peng Peng was financed by the company with an aggregated amount of RMB130 million in two instalments with a total of 26,000,000 shares of "OTMC" listed on the Shenzhen Stock Exchange, (stock code: 002175.SZ) held by Peng Peng as the subject of the pledge. Wei Yueping, as the spouse of Peng Peng, consented in writing to the above transaction of Peng Peng in advance in August 2016, and she indicated in writing that she was willing to assume the relevant financing liability together with Peng Peng in 2017. Later, Peng Peng provided the company with supplemental pledges of a total of 5,000,000 shares of "OTMC" additionally as supplemental pledges.

On April 17, 2018, the closing price of "OTMC" declined to RMB5.6 per share, which caused the collateral coverage ratios of two transactions under the agreement to be lower than the agreed lowest collateral coverage ratio. Besides, Peng Peng and Wei Yueping failed to perform the obligation of raise the collateral coverage ratio above the minimum level, and they also failed to pay the interest due in full as scheduled, which constituted an event of default. The company filed a complaint against Peng Peng and Wei Yueping with the Shanghai Financial Court in August 2018, requesting Peng Peng and Wei Yueping to bear the default liability. The principal of the subject matter under this litigation was

RMB91,460,000. The first instance hearing of this case was held on March 22, 2019. The company received the first instance judgment on July 18, 2019, which determined as follows: (1) Peng Peng and Wei Yueping, as the defendants, shall jointly repay the company the repurchase amount of RMB91,460,000 and the relevant interests accrued thereon and liquidated damages within ten days from the date when the judgment came into effect; (2) where the defendants fail to perform the payment obligation under the aforesaid item (1), the company may negotiate with Peng Peng whether to discount the 30,999,990 shares of "OTMC" pledged, or to indemnify itself in priority with the consideration acquired through auction or sales of the pledged shares. For auction or sales of the pledged shares, the amount exceeding the creditor's right shall belong to Peng Peng and Wei Yueping, while the shortfall shall be repaid by Peng Peng and Wei Yueping on an ongoing basis. The company had applied to the court for enforcement. On July 25, 2020, as the defendant had no executable property, the court ruled to terminate the enforcement. If there is any subsequent executable property, the company can apply to the court for enforcement. The case was closed.

6. **The case of the dispute over trust loan default raised by Shenyin & Wanguo Alternative Investment Co., Ltd. (申銀萬國創新證券投資有限公司) against Zhongke Construction and Development Corporation (中科建設開發總公司) and others**

Shenyin & Wanguo Alternative Investment (as the trustor and beneficiary) entered into a trust contract with China Everbright Xinglong Trust Co., Ltd. ("Everbright Trust", as the trustee) in 2016, pursuant to which, Shenyin & Wanguo Alternative Investment agreed to deliver to Everbright Trust the trust capital in the aggregated amount of RMB300 million and instructed the latter to grant trust loan to Zhongke Construction and Development Corporation ("Zhongke Construction"). Zhongke Longxuan Engineering Project Management (Hai'an) Co., Ltd. (中科龍軒工程項目管理海安有限公司) ("Zhongke Longxuan"), as the pledgor, pledged to Everbright Trust its entitlement to every installment of accounts receivables from the Management Committee of Hai'an Economy and Technology Development Zone under the 2013 Hai'an Economy and Technology Development Zone Infrastructure Financing Construction Project Contract (《海安經濟技術開發區2013年基礎設施融資建設項目合同書》, hereinafter referred to as the "Contract"). Zhongke Construction later failed to pay the relevant interest after being notified repeatedly, constituting an event of default. In September 2018, Everbright Trust issued the Early Loan Repayment Notice, declaring that all the principal and interest of the loan constituted acceleration on September 13, 2018. On the same day, Everbright Trust and Shenyin & Wanguo Alternative Investment agreed to terminate the trust contract, and Everbright Trust assigned to Shenyin & Wanguo Alternative Investment all of its rights under the creditor's right and guarantee right.

On September 18, 2018, Shenyin & Wanguo Alternative Investment filed a civil complaint to the Gansu High People's Court requesting the following judgments: (1) Zhongke Construction shall repay Shenyin & Wanguo Alternative Investment a loan principal of RMB300 million and the accrued interest, the penalty interest and the attorney fee, and Zhongke Longxuan shall be jointly liable for the aforesaid petition; (2) Shenyin & Wanguo Alternative Investment shall be entitled to exercise the pledge right over the trade receivables, and entitled to be indemnified in priority by the trade receivables from the Management Committee of Hai'an Economy and Technology Development Zone pledged by Zhongke Longxuan to Shenyin & Wanguo Alternative Investment; (3) Zhongke Construction, Zhongke Longxuan and the Management Committee of Hai'an Economy and Technology Development Zone shall be jointly responsible for all the litigation and preservation fees.

On November 18, 2020, Shenyin & Wanguo Alternative Investment Co., Ltd. received the first instance ruling of the case, and the court ruled to reject its prosecution. After the relevant facts were subsequently verified, Shenyin & Wanguo Alternative Investment Co., Ltd. could claim its rights to the court in accordance with the law. Shenyin & Wanguo Alternative Investment Co., Ltd. has appealed the ruling, and as of the end of the Reporting Period, no final ruling has been received.

7. **The case of a sales contract dispute raised by Shanghai Zhuxin Industrial Co., Ltd. (上海築欣實業有限公司) against Shenyin & Wanguo Zhifu Investment Co., Ltd. (申銀萬國智富投資有限公司)**
Shanghai Zhuxin Industrial Co., Ltd. and Shenyin & Wanguo Zhifu Investment Co., Ltd. entered into two Entrusted Procurement Agreements on December 30, 2014 and January 12, 2015, respectively, pursuant to which, Shanghai Zhuxin Industrial Co., Ltd. entrusted Shenyin & Wanguo Zhifu Investment Co., Ltd. to purchase 30,000 tons of coke through the method of exchange for physicals. During the performance of the agreements, the two parties disagreed in respect of whether Shenyin & Wanguo Zhifu Investment Co., Ltd. had performed the obligation to transfer the title of goods according to the above agreements. In August 2018, Shenyin & Wanguo Zhifu Investment Co., Ltd. received a complaint and a subpoena from the Court, in which Shanghai Zhuxin Industrial Co., Ltd. demanded Shenyin & Wanguo Zhifu Investment Co., Ltd. to deliver 30,000 tons of coke and assume the relevant default liability.

On June 14, 2019, Shenyin & Wanguo Zhifu Investment Co., Ltd. received the first instance judgment issued by the Court dated June 5, 2019, which ordered the defendant to deliver 30,000 tons of coke to Shanghai Zhuxin Industrial Co., Ltd. within 30 days commencing from the date when the judgment came into effect. Shenyin & Wanguo Zhifu Investment Co., Ltd. had already appealed to Shanghai No. 1 Intermediate People's Court on June 27, 2019.

On April 13, 2020, Shenyin & Wanguo Zhifu received a civil ruling issued by Shanghai No. 1 Intermediate People's Court on April 8, 2020, as follows: (1) the Civil Judgment ((2018) Hu 0115 Min Chu No. 48851) issued by the People's Court of Pudong New District of Shanghai be revoked; (2) the case be sent back to the People's Court of Pudong New District of Shanghai for retrial.

On October 28, 2020, Shenyin & Wanguo Zhifu Investment Co., Ltd. received the ruling made by the People's Court of Pudong New District as follows: the prosecution of the plaintiff be rejected. The plaintiff did not appeal and the case was closed.

VIII. INVOLVEMENT OF THE COMPANY, ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER IN INVESTIGATION BY COMPETENT AUTHORITIES DURING THE REPORTING PERIOD

During the Reporting Period, neither the Company, nor any of its directors, supervisors, senior management, controlling shareholder or actual controller was investigated by competent authorities, imposed coercive measures by a judiciary authority or disciplinary department, transferred to a judiciary authority or held criminally liable, investigated or imposed administrative penalties by the CSRC, prohibited from access to market, identified as an unsuitable person, punished by other administrative departments, or publicly condemned by a stock exchange.

IX. THE CREDITWORTHINESS OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER

During the Reporting Period, none of the Company, its controlling shareholder or its actual controller failed to perform any effective judgments of a court or repay outstanding debts with relatively material amounts.

X. RELATED PARTY TRANSACTIONS DURING THE REPORTING PERIOD

The related/connected transactions of the Group are conducted pursuant to the Shenzhen Stock Exchange Listing Rules and the Hong Kong Listing Rules, the related/connected transactions of the Group observe the fair and reasonable principles, and the agreements on related/connected transactions are entered into under the principles of equality, willingness, pricing equality and compensation with market prices.

The Company has the following continuing connected transactions that shall subject to the reporting, annual review and announcement requirements under Chapter 14A of the Hong Kong Listing Rules and the Company has complied with relevant requirements:

As of December 31, 2020, JIC directly held approximately 26.34% of the total issued share capital of the Company. Therefore, JIC is a substantial shareholder of the Company. Therefore, JIC and its associates constitute connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules.

Securities and Financial Products, Transactions and Service Framework Agreement

Reference is made to the prospectus for H Shares dated April 12, 2019, the circular dated June 3, 2020 and the announcement dated June 23, 2020 of the Company and the Securities and Financial Products, Transactions and Services Framework Agreement (the "Framework Agreement") with JIC on March 29, 2019 for a term commencing from April 26, 2019 (i.e. the listing date of H Shares) to December 31, 2021, subject to renewal. Separate contracts will be entered into between members of the Group and JIC and its associates to provide for the terms and conditions of the specific transaction(s) in accordance with the principal terms set out in the Framework Agreement. The shareholders of the Company approved the amendments to the annual caps of continuing connected transactions for 2020 and 2021 under the Framework Agreement at the 2019 annual general meeting.

Pursuant to the Framework Agreement, the Group and JIC and/or their respective associates shall provide securities and financial products and transactions with one another, and the Group shall provide securities and financial services to JIC and/or its associates, in their respective ordinary course of business based on normal commercial terms and market practices at prevailing market prices or rates.

A. Securities and Financial Products and Transactions

According to the Framework Agreement, the securities and financial product and transactions ("Securities and Financial Products and Transactions") between the Group and JIC and/or its associates include (but not limited to) the following:

- equity-related products or transactions, including funds, trust, asset management schemes, convertible bonds, structured products;
- fixed-income products, including funds, trust, bonds, and structured products with fixed income characteristics;

- financing transactions among financial institutions with or without guarantees; and
- other related securities and financial products and derivative products

Reasons for the transactions

In the normal course of our business, the Group regularly engages in various kinds of securities and financial products transactions with various counterparties, including JIC and its associates. The Group purchases suitable securities and financial products from different providers (including JIC and its associates, which are our connected persons, and independent third parties) based on our internal evaluation system and procedures with reference to various factors including the cost, market condition and the Group's risk exposure, business needs and development requirements. JIC and/or its associates may also purchase securities and financial products from the Group in their ordinary course of business from time to time, taking into account their business needs and the suitability of the products the Group offered.

Pricing basis

The market rates in respect of each of the Securities and Financial Products and Transactions are generally transparent and standardized across the market. The commission rates and fees charged for these products and transactions shall be determined based on the prevailing market price or based on arm's length negotiation with reference to the prevailing market rates normally applicable to independent third parties for similar types of transactions at the time of the transactions. To ensure that the Securities and Financial Products and Transactions are on normal commercial terms and to safeguard the interests of our shareholders as a whole, the Group has put in place internal approval and monitoring procedures relating to the Group's connected transactions.

Transactions in the year ended December 31, 2020

For the year ended December 31, 2020, the annual caps and actual transaction amounts of the Securities and Financial Products and Transactions are set out below:

Unit: RMB'000

Securities and Financial Products and Transactions	For the year ended December 31, 2020	
	Annual cap	Actual transaction amount
In[1]	**8,108,500**	**1,208,745.43**
Out[2]	**8,479,000**	**948,000.00**

Notes:

(1) "In" means the total cash inflow to the Group arising from the Securities and Financial Products Transactions, including the sale and redemption of the relevant products, interests received from the relevant products.

(2) "Out" means the total cash outflow from our Group arising from the Securities and Financial Products Transactions, including the purchase of the relevant products, interests paid for the relevant products and outflow arising from repurchase of relevant products from our counterparties.

B. Securities and Financial Services

According to the Framework Agreement, JIC agreed to purchase and the Company agreed to provide securities and financial services to JIC and its associates in its ordinary course of business based on normal commercial terms and market practices at prevailing market prices. The securities and financial services (the "Securities and Financial Services") provided to JIC and/or its associates include (but not limited to) the following:

- financial products agency sale services. The Group receives service fees and/or other fees for such services;
- leasing of trading units services. The Group leases our trading units to institutional clients and receives trading commission and/or other fees for such services;
- brokerage services, including securities brokerage and related financial products brokerage services. The Group receives brokerage commissions for such services;
- investment banking services, including underwriting and sponsorship services for equity securities and other products, and financial advisory services for other general corporate restructuring, mergers and acquisition. The Group receives underwriting commission, sponsor fee, financial advisory fees and/or other fees for such services;
- asset management services. The Group manages the assets of customers and receive service fees for such services; and
- other miscellaneous securities and financial advisory and consulting services. The Group receives advisory fees and/or other fees for such services.

Reasons for the transactions

In the Group's ordinary course of business, the Group provides securities and financial services to the Group's clients, which include JIC and for its associates. Due to their business needs and the Group's expertise and professional capabilities, the Group had been engaged by JIC and its associates to provide Securities and Financial Services from time to time during the Reporting Period.

Pricing basis

- financial products agency sale services: service fees shall be determined based on factors including market prices, industry practice and the total amount of financial products under the agency sale arrangements with reference to the service fee rate charged by the Group for comparable agency sale service provided to independent third party;
- leasing of trading units: the Group charges a percentage of the trading volume in respect of each trade conducted through the Group's trading units as the Group's commission where such percentage shall be determined based on the then prevailing market rates and industry practice. The commission rates charged on the leasing of trading units are generally transparent across the market;

- brokerage services: the commission rates for these services are generally transparent and standardized across the market. The commission rates are determined based on arm's length negotiation with reference to the prevailing market rates for comparable securities or futures;

- investment banking services: financial advisory fees and other service fees shall be determined after taking into account factors including the transaction nature and size, and the then prevailing market conditions. The fees for investment banking services are generally transparent across the market, which enables the Group to adopt a market-based pricing approach;

- asset management services: the fees charged for asset management services are determined based on arm's length negotiations with reference to factors including the prevailing market rates, the size of the assets and the complexity of the particular service provided. The market rates for these services are generally transparent across the market; and

- other miscellaneous securities and financial advisory and consulting services: such services are determined based on arm's length negotiation with reference to the prevailing market rates for transactions of similar type and size.

The terms (including pricing terms) in respect of the Securities and Financial Services the Group provided to JIC and/or its associates shall be comparable to those provided to the Group's other independent institutional clients of similar profile and transaction amount. The Securities and Financial Services shall be subject to the same or stricter internal approval and monitoring procedures and pricing policies applicable to independent clients.

Transactions in the year ended December 31, 2020
For the year ended December 31, 2020, the annual caps and actual transaction amounts of the Securities and Financial Services are set out below:

Unit: RMB'000

	For the year ended December 31, 2020	
	Annual cap	Actual transaction amount
The Group's revenue generated from providing the Securities and Financial Services to JIC and its associates	**107,300**	**28,688.29**

Confirmation of independent non-executive Directors
The independent non-executive directors of the Company have reviewed the above continuing connected transactions and confirmed that:

(1) The above continuing connected transactions were entered into in the ordinary course of business of the Group;

(2) The above continuing connected transactions were entered into on normal commercial terms or better; and

(3) The above continuing connected transactions were entered into in accordance with the Framework Agreement, the terms of which were fair and reasonable and in the interests of the shareholders of the Company as a whole.

Confirmation of independent auditor

The independent auditor of the Company has performed the review procedures and issued its letter of unqualified opinion regarding the abovementioned continuing connected transactions, and confirmed that:

(1) Nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board of Directors;

(2) For transactions involving the provision of products and services by the Company, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Company;

(3) Nothing has come to their attention that causes them to believe that such transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

(4) With respect to the aggregate amount of the continuing connected transactions, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the annual cap set out by the Company.

Save as disclosed above, there are no other related party transactions as set out in note 57 to the consolidated financial statements that are connected transactions or continuing connected transactions that are required to be disclosed under the Hong Kong Listing Rules. Save as disclosed in this report, during the Reporting Period, the Company was not required to disclose any connected transactions in accordance with the relevant requirements under Chapter 14A of the Hong Kong Listing Rules.

XI. MATERIAL CONTRACTS AND PERFORMANCE THEREOF

(I) Material holding in custody, contracting or leasing

The Company had no material holding in custody, contracting or leasing during the Reporting Period.

(II) Material guarantees of the Company accumulated from previous periods or occurred during the Reporting Period

On February 26, 2019, the 38th meeting of the fourth session of the Board considered and approved the Proposal Regarding the Provision of Guarantee for Hongyuan Hengli (Shanghai) Industrial Co., Ltd. ("Hongyuan Hengli") (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 subject to the maximum amount of RMB1.0 billion within two years commencing from the date when the proposal was approved at the general meeting. Besides, the management of the Company was authorized to determine the specific implementation and to proceed 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 general meeting of the Company.

According to resolutions of the Board of Directors and the 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. On November 12, 2020, the Company entered into the Maximum Guarantee Contract with Evergrowing Bank Co., Ltd. Shanghai Branch for the comprehensive credit granting business of Hongyuan Hengli, to provide irrevocable joint liability guarantee of RMB80 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, September 29, and November 20, 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, September 28, and November 19, 2020)

As of the end of the Reporting Period, the Company has provided Hongyuan Hengli with 9 guarantees, of which 3 have been repaid upon maturity and 6 are still in the implementation process. The total external guarantees of the Company and its controlled subsidiaries amounted to RMB644.8837 million, accounting for 0.72% of the Company's latest audited net assets. The accumulated amount of overdue guarantees was nil, the amount of guarantees involved in litigations was nil, and the amount of losses that should be borne due to the loss in lawsuits in relation to guarantees was nil.

Independent opinions and special explanations of independent directors on the abovementioned external guarantees of the Company:

As of the end of the Reporting Period, the total external guarantees of the Company and its controlled subsidiaries amounted to RMB644.8837 million, which were provided by Shenwan Hongyuan Group Co., Ltd. for the external financing of its subsidiary Hongyuan Hengli (Shanghai) Industrial Co., Ltd. The guarantees have been considered and approved at the 38th meeting of the fourth session of the Board of Directors of the company and at the 2018 annual general meeting and are helpful to support the business development of Hongyuan Hengli and improve the efficiency of applying for loans from banks; and beneficial to reduce financing costs and ensure the realization of the Company's business objectives; the direct borrowings from financial institutions by Hongyuan Hengli help isolate business risks from the Group. The guaranteed object Hongyuan Hengli is a subsidiary within the scope of the Company's consolidated financial statements, with standardized management and good operating conditions, and the financial risk in relation to provision of guarantees to it is within the controllable range and will not affect the normal operation of the Company. The guarantees are in line with the relevant provisions under the Notice of Several Issues Concerning the Regulation of Capital Transactions between Listed Companies and Related Parties Thereof and External Guarantees by Listed Companies and the Notice of Regulation of External Guarantees by Listed Companies issued by the CSRC, the Articles of Association and the Management Rules of External Guarantee.

(III) Entrusting others to conduct cash asset management

1. Entrusted wealth management

N/A

2. Entrusted loan

N/A

(IV) Other material contracts

Pursuant to the requirements on connected transactions under Chapter 14A of the Hong Kong Listing Rules, on March 29, 2019, the Company and JIC entered into the Securities and Financial Products, Transactions and Services Framework Agreement (the "Framework Agreement") for a term commencing from April 26, 2019 (i.e. the listing date of H Shares) to December 31, 2021. Pursuant to the Framework Agreement, the Group and JIC and/or their respective associates agreed to conduct securities and financial transactions with one another, and provide securities and financial products and services to one another, in their respective ordinary course of business based on normal commercial terms and market practices at prevailing market prices or rates.

XII. SOCIAL RESPONSIBILITIES

(I) Fulfillment of social responsibility

In 2020, the Company always adhered to the core values of "seeking truth and innovations while pursuing integrity and sincerity in practice", upheld the corporate spirit of "responsibility, professionalism, collaboration, openness, and enterprising", and proactively integrated social responsibility into its core value framework. While proceeding with the prevention and control of the epidemic based on overall planning, it assisted in poverty alleviation and public welfare activities, and further promoted the "six stabilizations" and "six guarantees", to enhance the ability of finance to serve the real economy. With focus on risk prevention and control, it adhered to the bottom line of compliant operation. Moreover, it advanced cultural

construction and safeguard employees' rights and benefits to promote employee growth. In addition to deepening the development of green finance, the Company also helped the development of energy-saving and environmental protection industries, to promote economic development and social harmony. For details of the Company's fulfillment of social responsibilities, please refer to the 2020 Social Responsibility Report of Shenwan Hongyuan Group Co., Ltd. published on Cninfo website at www.cninfo.com.cn on the same date of this annual report.

(II) Fight against the epidemic

In 2020, the Company earnestly implemented the spirit of the important speech and instructions of General Secretary Xi Jinping on the prevention and control of COVID-19, and made quick response in accordance with precise policies to fully promote the prevention and control of the epidemic.

The Company strengthened organizational arrangements, established a leading group for epidemic prevention and control immediately, under which an office for epidemic prevention and control was set up, and held nearly 40 special meetings and issued the Notice on Prevention and Control of Pneumonia Epidemic Caused by COVID-19 to proactively deploy epidemic prevention and control; great efforts were exerted to ensure the "safety in three aspects", i.e. employees, customers and business; the Company donated a total of about RMB13.62 million to Wuhan Charity Federation, Homage to Nurses Fund, Wuhan Red Cross, and the Organization Department of the CPC Central Committee; various business models including the establishment of funds, underwriting bonds for epidemic prevention and control, and issuance of special products for fight against the "epidemic" were adopted to support the financing needs of enterprises related to epidemic prevention and control. The Company completed the first epidemic prevention and control bonds of Industrial Securities at the Shanghai Stock Exchange with a securities company as the issuer in the PRC. From January to November 2020, special bonds for epidemic prevention and control in a total amount of RMB8.106 billion were sold.

(III) Fulfillment of social responsibility in respect of Targeted Poverty Alleviation

1. Plan on Targeted Poverty Alleviation

Shenwan Hongyuan always regards targeted assistance and support as an important reflection of practicing the "two maintenances" and the responsibility of state-owned financial enterprises. In 2020, under the guidance of the CSRC, the Company formulated the annual poverty alleviation plan for 2020 as a proactive response to the "One Company for One County" paired assistance initiative of the Securities Association of China, and continued to conduct targeted poverty alleviation in "six counties, one district and one village", i.e. Huining County in Gansu Province, Maigaiti County and Jimunai County in Xinjiang, Xi County in Shanxi Province, Baiyu County and Jinyang County in Sichuan Province, Qianjiang District in Chongqing, and Gaobei Village in Shibing County of Guizhou Province.

2. Overview of targeted poverty alleviation for the year

In 2020, the Company provided accurate solutions to the acute problems in relation to "No Worry About Food and Clothing with Compulsory Education, Basic Medical Care, and Housing Guaranteed" in poverty-stricken areas, striving to overcome the difficulties and pain points of the people's livelihood; it vigorously promoted poverty alleviation through industrial development and supported the local collective economy, characteristic industries and leading enterprises in the poverty-stricken areas to grow bigger and stronger, to consolidate the foundation for poverty alleviation in poverty-stricken

areas; it persisted in the organic integration of poverty alleviation with the help of will and wisdom, to fundamentally strengthen the endogenous motivation of poverty-stricken areas and the subjective initiative of local cadres and masses. In 2020, the Company invested a total of nearly RMB37 million in "six counties, one district and one village" as assistance funds, purchased agricultural products in an amount of more than RMB12 million, helped the sales of agricultural products in an amount of more than RMB28.7 million, and introduced investment of more than RMB5.6 million. Besides, 1,429 grassroots cadres and 840 technical personnel received training. The three cadres dispatched by the Company in 2018 continued to deeply and practically proceed with the local poverty alleviation. The main work is as follows:

(1) *Coordinate the advancement of epidemic prevention and control and poverty alleviation, and exert efforts on medical service guarantee, employment of the poverty stricken population and resumption of work and production of enterprises, striving to minimize the losses caused by the epidemic*

① Increase the supply of medical supplies. After the outbreak of the epidemic, medical supplies were in shortage in many places in Huining, and medical equipment such as masks and protective clothing was in short supply. The Company immediately invested RMB124,000 in purchasing a batch of medical supplies, and made an additional investment of RMB1 million in purchase of masks, disinfectants and other medical consumables for the medical institutions and primary and secondary schools of the county to solve short-term shortage of medical supplies. In Megaiti County, Xinjiang, the Company invested RMB299,400 to subsidize the county education bureau for purchase of 100,000 medical masks to provide a solid guarantee for the safe resumption of classes for local junior and high school students.

② Promote epidemic prevention and control and resumption of work and production through innovative financial means. In response to a series of unexpected problems such as rising raw material prices and unsalable products caused by the epidemic, the professional team of Shenwan Hongyuan thoroughly figured out the inventory of enterprises and breeding feed prices of Huining in March 2020, tailored a variety of OTC options products, and successfully helped stabilize the feed price of nearly 2,000 Angus cows for the breeding enterprises in Jinling and helped Ganfu Fruit to withstand the price risk of nearly 300 tons of stocked apples, benefiting more than 6,000 local registered poor households. In order to reduce the impact of the epidemic, Hongyuan Futures organized a training course on "Price Fluctuation Risk Prevention and Control Management" for 20 business leaders in Huining to help enterprises control the price fluctuation risk of raw materials and commodities. It also prepared video materials of the Guidelines on Resumption of Work and Epidemic Prevention for Enterprises in Huining for the enterprises in Huining. The video materials were broadcast at fixed online platforms to promote the orderly resumption of work and production of enterprises.

③ Utilise external resources to help the transfer employment of the labor in poverty-stricken areas. In response to the employment problem caused by the epidemic, Shenwan Hongyuan proactively mobilized client resources to vigorously promote the labor recruitment

of relevant enterprises in Huining to help the poor people expand employment channels to achieve stable revenue growth. In November 2020, the Company successfully promoted relevant enterprises to recruit more than 20 people as packaging workers and thermal line technicians in Huining who were provided with free accommodation and good treatment.

④ Solve the problem of unsalable agricultural products caused by the epidemic. In order to fully respond to the call of China Investment Corporation to support Wuhan's fight against the epidemic, the Company proactively coordinated with Huining Poverty Alleviation Section and local entrepreneurs to invest RMB390,000 in purchase of 19.55 tons of high-quality apples and 10.08 tons of edible oil and millet from Huining, which were shipped to Wuhan in only 4 days and donated to frontline medical staff, which not only solved the problem of unsalable agricultural products in Huining caused by the epidemic, but also contributed Shenwan Hongyuan's strength to Wuhan's epidemic prevention and control and protection of people's livelihood. In addition, the group company and the securities company canteen directly purchased agricultural products from the epidemic-stricken areas in Hubei such as selenium-enriched black tea in an amount of RMB19,500, and set up a special Wuhan product area in the Company's canteen to help sell walnut oil and other products in an amount of RMB8,720.

(2) *Keep a close eye on the prominent problems of "No Worry About Food and Clothing with Compulsory Education, Basic Medical Care, and Housing Guaranteed" and increase investment in people's livelihood, to practically consolidate the results of poverty alleviation and prevent return to poverty.*

① Ensure drinking water safety in poverty-stricken areas. Although Huining's poverty alleviation indicators have met the standards, there are weak aspects in respect of drinking water for human beings. Some villages are exposed to hidden dangers of drinking water safety. In some villages, water supply is often stopped or cut off due to insufficient coverage of drinking water pools. In 2020, the Company invested RMB10.17 million in building wells equipped with valves, reservoirs and other drinking water facilities in 26 local townships and towns of Huining to make up for shortcomings in respect of drinking water safety, benefiting nearly 14,000 poor population from 3,111 households.

② Increase investment in compulsory education. In Huining, the Company focused on exerting the role of eduction in continuous promotion of poverty alleviation and prevention of return to poverty and invested RMB6.2 million in building Xinbei Primary School in Huining County which could accommodate 1,620 children of residents from relocation sites, shantytown reconstruction areas and surrounding areas, effectively alleviating the local education resource imbalance featured by "weak education resources in rural areas and crowded students in cities and towns"; the Company invested RMB400,000 in setting "Shenwan Hongyuan Classes" in Siyuan Experimental School, and introduced RMB368,000 from China Foundation for Poverty Alleviation to subsidize 100 children with excellent quality and academic performance from registered poor households of the two classes; the "big hands holding small hands" charity learning support activity was further carried out, in which the Company invested a total of RMB112,000 of donations from employees and introduced

RMB237,500 from the Guangdong Times Charity Foundation; the Company assisted China Investment Corporation to hold the second session of the "Golden Sunshine Research Activity" in Shanghai, and carefully accomplished various tasks such as scheduling and volunteer guarantee; SWS Research organized 8 key teachers from Huining to attend the "River • Children Village Outstanding Young Teacher Training Course", which effectively improved the level of local teachers; Shenwan Futures donated RMB80,000 to Hanjiaji Town, Huining County to purchase school bags, pens and other learning necessities for 239 local primary school students; the traditional Chinese painting club of the Company donated all the proceeds of RMB26,000 from charity sales to Huining Siyuan Experimental School, for purchase of 43 Kindle e-readers in order to establish an electronic reading room for the school. In Megaiti County, Xinjiang, the Company funded RMB1.55 million to complete the renovation project of the county teacher training center to meet the demand for venues and facilities for the vigorous development of follow-up teacher training and teaching activities; Shenwan Hongyuan Securities (Western) invested RMB150,000 in establishment of the county scholarship for outstanding poor students, benefiting 150 students in total; Shenwan Futures invested RMB200,000 in further improvement of the conditions for operating the Lianxinqiao Kindergarten. In Jimunai County, Xinjiang, Hongyuan Futures invested RMB80,000 in entrepreneurship and employment assistance. In Baiyu County, Sichuan, the Company invested RMB200,000 in purchase of warm winter school uniforms for local poor students. In Jinyang County, Sichuan, the Company invested RMB80,000 and signed a supervision agreement with Deji Village and Xinjiang Village to subsidize poor students with excellent character and academic performance.

③ Improve medical services and service guarantee capabilities of grassroots organizations. In Huining, in order to improve the basic medical and health facilities in Huining and solve the problem of prehospital first aid at the township level, the Company invested RMB5.2 million in purchase of medical ambulances for 26 township health service centers and hospitals in the county to improve local disaster relief capabilities. In addition, the Company invested RMB1.74 million of Party fees in construction of new village-level positions in 12 villages across the county to comprehensively enhance the cohesion and combat effectiveness of Party organizations in poor villages and build an organizational fortress for winning the battle against poverty. In Jinyang County, Sichuan, the Company invested RMB650,000 in build a sewage treatment system to improve the production and living environment of local villages and towns.

(3) Implement the "Four Not Removal" work requirements, and comprehensively improve the poverty-returning prevention work system in terms of poverty alleviation through insurance, consumption, and talent.

① Promote poverty-returning prevention insurance and agricultural products "futures + insurance" to build a safety net for the poor people. In Huining, the Company continued to strengthen the precise identification of poverty-stricken households poverty record and invested more medical subsidy resources in Huining, to strengthen the guaranteed basic support. Each of the Shenwan Hongyuan Securities and China CICC Wealth Management Securities Company Limited invested RMB3.4 million in purchase of the "poverty-returning prevention comprehensive insurance" for a total of 170,000 people from 39,000 households

in Huining, to prevent returning to poverty due to illnesses, disasters or accidents; to further expand the scale of "corn + futures + insurance" project, in 2020, each of the securities company and China CICC Wealth Management Securities Company Limited contributed RMB1.5 million to purchase agricultural products "futures + insurance" for nearly 100,000 Mu of corn in 15 townships and towns, to guarantee the basic income of more than 57,000 poor people from 12,000 households on the poverty record. In Maigaiti County, Xinjiang, the Company invested a total of RMB500,000 in purchase of "beef cattle breeding insurance" for local poor households to help poor cattle-raising households get risk guarantee and support the development of the local cattle-raising industry. The Company played a good role in escorting the farmers to get rid of poverty and become rich and the large-scale operation of the cattle-raising industry. In Jimunai County, Xinjiang, the Company invested RMB20,000 in sending warmth and love to the local households enjoying the minimum living guarantee, households enjoying the five guarantees and other poor people to help them tide over the difficulties.

② Intensify poverty alleviation through e-commerce and consumption to increase the income of the people in the poverty-stricken areas by all means. The CIC Poverty Alleviation Section constructed by Shenwan Hongyuan continued to play its role in enriching farmers through e-commerce. In 2020, it sold agricultural products from "three provinces and four counties" in an aggregate amount of more than RMB35.7 million, including nearly RMB17.7 million of agricultural products from Huining, ranking the first among the four poverty alleviation sections of China Investment Corporation. In order to further drive the sales of the Huining Poverty Alleviation Section, Shenwan Hongyuan proactively coordinated with JD.com to help the e-commerce companies in the "three provinces and four counties" to strive for preferential policies, to reduce the cost of enterprises in terms of opening store applications, logistics freight, traffic introduction and so on, improving the market competitiveness of products. The Company continued to increase its centralized procurement and purchased agricultural specialty products from Huining and other places in an amount of over RMB12 million throughout the year.

③ Proceed with training for grassroots cadres and technical personnel in poverty-stricken areas. In Huining, since the beginning of the year, the Company has invested RMB300,000 of Party fees in providing targeted poverty alleviation training for more than 1,400 grassroots Party secretaries and first secretaries in the villages through the means in combination of online and offline methods to broaden the knowledge and improve the professional proficiency of local cadres and cultivate a group of cadres who understand poverty alleviation, know how to provide assistance, and have a solid style of work; A 12-day e-commerce talent training course was held in Huining to comprehensively popularize rural e-commerce knowledge, help more than 170 e-commerce enterprise leaders master e-commerce operation and management techniques, and stimulate the enthusiasm of local rural e-commerce talents to work and start businesses and promote the formation of an endogenous motivation for poverty alleviation and poverty reduction, etc.

(4) Regard the cultivation of industries as the fundamental way to promote poverty alleviation, strengthen the "self-development" function and endogenous development momentum, and build a stable and long-term mechanism for poverty alleviation.

① Develop characteristic industries in accordance with local conditions to consolidate the foundation for stable poverty alleviation in poverty-stricken areas. In Huining, the Company attaches great importance to the long-term development of industries in poverty-stricken areas, focuses on supporting Huining's characteristic industries with wide coverage and strong poverty alleviation effects, and adopts various measures to build a solid foundation for industries, so as to bring about benefits in the long run. In 2020, the Company vigorously cultivated new type of rural business entities, invested RMB2 million in support of 9 villages and towns in Huining to strengthen the local cooperatives, to solve their construction funding gaps and provide preferential subsidies, directly driving 381 poor households to get out of poverty and become rich. It continued to cooperate with the Huining government to improve the introduction, processing, operation and sales capabilities of cattle, sheep and other industries to ensure that the benefits of the industry covered poor households. In Jimunai County, Xinjiang, in order to further strengthen the collective economy of villages, the Company provided RMB300,000 of agricultural and animal husbandry machinery purchase funds to Buerhesitai Village for purchase of 1 tractor, 1 baler, 1 small four-wheel tractor, 1 grass scraper and 1 grass trimmer, creating conditions for farmers and herders to increase production and income.

② Support leading enterprises to become bigger and stronger. Shenwan Hongyuan aims to "strengthen a leading enterprise, expand an industry, and drive a number of jobs", and in light of the fact that Huining's industrial foundation is weak and lack of a complete industrial chain and leading enterprises, it implemented the "one company, one policy" precise cultivation plan, to support a group of leading enterprises with good development trends and obvious poverty alleviation effects. On July 23, Gansu Qunye Technology Co., Ltd. was officially approved to be listed on the NEEQ, becoming the first company in Huining to be listed on the NEEQ; the Company assisted Huining to establish "Huining County Cultural Tourism Media Co., Ltd.", designed a characteristic cultural tourism route for the cadres in the system of China Investment Corporation for it, and proactively cooperated with the advantageous resources of external tourism companies, to broaden its revenue channels; the investment lines as well as SWS Research, Shenwan Futures, etc. of the Company continued to deepen the integration of industry and finance, coordinate internal and external resources to carry out diversified investment and financing services for leading enterprises in the industries of steel pipe manufacturing, beef cattle, apple, etc., in Huining to create benchmarking enterprises with demonstration effects, to realize a virtuous circle of "funds drive enterprises, enterprises drive industries, and industries drive poverty alleviation".

③ Clarify the idea of poverty alleviation through industry. Shenwan Hongyuan continued to assist Huining to enrich the mid- and long-term industrial plan of "ecological improvement as the core, development of red cultural and educational industries, green and characteristic agriculture". Currently, it is cooperating with China Youth Travel Service to enhance the

analysis on the feasibility of the implementation of red cultural and educational industries in Huining, with a view to turning Huining's red resource advantages into economic benefits, while deepening the promotion of poverty alleviation through green ecology and further proceeding with the organic connection of rural revitalization.

(5) *Strengthen publicity on poverty alleviation*

The year of 2020 was the year for building a moderately prosperous society in all respects and achieving the goals of the "13th Five-Year" Plan, and the year for ending poverty alleviation. The Company attached great importance to publicity on poverty alleviation. Following the national requirements on publicity on poverty alleviation, the Company insisted on positive publicity themed by decisive victory with description of the characteristics of the final ending of poverty alleviation. It published a total of 39 internal publicity articles and 81 external publicity articles, and conducted a number of live broadcasts on poverty alleviation to fully demonstrate the great achievements of poverty alleviation, creating a good public opinion atmosphere and provide strong spiritual motivation for the decisive victory of poverty alleviation, and thus was highly affirmed by China Investment Corporation, CSRC and the State Council Leading Group Office of Poverty Alleviation and Development.

Due to the outstanding performance in poverty alleviation, the Company won the titles of "2019 Advanced Collective for Poverty Alleviation and Assistance of Baiyin City" and "2019 Advanced Collective for Poverty Alleviation and Assistance of Huining County"; Wu Minhui, a cadre dispatched by the Company, was awarded the title of "2019 Advanced Individual of Poverty Alleviation and Assistance of Gansu Province" and "2019 Advanced Cadre of Poverty Alleviation of Huining County"; Jin Lei and Liu Yu, cadres dispatched by the Company, were awarded the titles of "2019 Advanced Individual of Poverty Alleviation and Assistance of Baiyin City" and "2019 Advanced Cadre of Poverty Alleviation of Huining County"; the Company won the title of "Top 50 Comprehensive Typical Cases of Targeted Poverty Alleviation by Enterprises" by the State Council Leading Group Office of Poverty Alleviation and Development in 2020.

3. Achievements of targeted poverty alleviation

Indicator	Unit of measurement	Quantity/status of implementation
I. Overall situation	—	—
Including: 1. Funds	RMB'0,000	4,885.53 (including RMB34,897,300 of self-owned funds, RMB2.04 million of Party fees, RMB138,000 of donations by employees and RMB11.78 million for purchase by the trade union)
2. Amount of money converted from physicals	RMB'0,000	—
3. Number of people on poverty record assisted to be lifted out of poverty	Person	— (Subject to acceptance and statistics by the State)
II. Itemized investments	—	—
1. Poverty alleviation through industrial development	—	—
Including: 1.1 Types of projects for poverty alleviation through industrial development	—	Support of standardized construction of cooperatives, development of characteristic industries, middle and small-sized enterprises, etc.
1.2 Number of projects for poverty alleviation through industrial development	Project	5
1.3 Amount invested in projects for poverty alleviation through industrial development	RMB'0,000	380
1.4 Number of the people on poverty record who assisted to be lifted out of poverty	Person	—
2. Poverty alleviation through transfer of the labour force	—	—
Including: 2.1 Amount invested in vocational skills training	RMB'0,000	30 (Party fees of the Company)
2.2 Number of people who have received vocational skills training	Person-time	2,269
2.3 Number of people on poverty record assisted to get employed	Person	—

Indicator	Unit of measurement	Quantity/status of implementation
3. Poverty alleviation through relocation	—	—
Including: 3.1 Number of relocated people assisted to get employed	Person	—
4. Poverty alleviation through education	—	—
Including: 4.1 Amount invested in helping the poor students	RMB'0,000	64.8 (including RMB138,000 of donations by employees)
4.2 Number of poor students funded	Person	365
4.3 Amount invested in improving educational resources in poor areas	RMB'0,000	795
5. Poverty alleviation through health care	—	—
Including: 5.1 Amount invested in medical and health resources in poverty-stricken areas	RMB'0,000	142.43
6. Poverty alleviation through ecological protection	—	—
Including: 6.1 Type of project	—	—
6.2 Amount invested	RMB'0,000	—
7. Guaranteed basic living standard for people unable to work	—	—
Including: 7.1 Amount invested in left-behind children, women and the elderly	RMB'0,000	390
7.2 Number of left-behind children, women and the elderly assisted	Person	—
7.3 Amount invested in poor people with physical disabilities	RMB'0,000	—
7.4 Number of poor people with physical disabilities assisted	Person	—
8. Social poverty alleviation	—	—
Including: 8.1 Amount invested in coordinated poverty alleviation in eastern and western China	RMB'0,000	—
8.2 Amount invested in targeted poverty alleviation programs	RMB'0,000	3,083.3 (including RMB11.78 million for purchase by the trade union)
8.3 Amount invested in charity funds for poverty alleviation	RMB'0,000	—

Indicator	Unit of measurement	Quantity/status of implementation
9. Other projects	—	—
Including: 9.1 Number of projects	Project	—
9.2 Amount invested	RMB'0,000	—
9.3 Number of people on poverty record assisted to be lifted out of poverty	Person	—
III. Honors (contents and levels)	—	1. the Company won the title of 2020 "Top 50 Comprehensive Typical Cases of Targeted Poverty Alleviation by Enterprises" granted by the State Council Leading Group Office of Poverty Alleviation and Development in 2020; 2. The Company won the title of "2019 Advanced Collective for Poverty Alleviation and Assistance of Huining County"; 3. Wu Minhui, a cadre dispatched by the Company, was awarded the title of "2019 Advanced Individual of Poverty Alleviation and Assistance of Gansu Province" and "2019 Advanced Cadre of Poverty Alleviation of Huining County"; 4. Jin Lei and Liu Yu, cadres dispatched by the Company, were awarded the titles of "2019 Advanced Individual of Poverty Alleviation and Assistance of Baiyin City" and "2019 Advanced Cadre of Poverty Alleviation of Huining County";

4. Subsequent targeted poverty alleviation plan

The situation is pressing and poverty alleviation has ushered in a sprint period of cracking hard nut and storming a castle. In the next stage, the Company will continue to exert great efforts on four aspects, i.e. organisational personnel, funds, project and assessment, to boost the poverty alleviation in six counties, one district and one village, especially in Huining County, Gansu Province. First, it is required to implement the work requirements of "removing poverty without removing responsibilities, policies, assistance, and supervision", to further improve the sustainable long-term mechanism for poverty alleviation and resolutely prevent return to poverty. Second, the Company shall continue to assist Huining and other poverty-stricken areas to effectively solve the basic problems in relation to "No Worry About Food and Clothing with Compulsory Education, Basic Medical Care, and Housing Guaranteed"; and organically connect poverty alleviation with rural rejuvenation. Third, it is required to further accurately identify the aspects for poverty alleviation through industry, implement the "one company, one policy" targeted poverty alleviation, and give play to the leading role of leading enterprises in driving the local economy. Fourth, further effects shall be made in the operation of e-commerce platform and sales of agricultural products, to effectively improve the e-commerce operation capabilities, sales service capabilities, and industry chain integration capabilities of the enterprises in Huining County. Fifth, the Company shall comprehensively optimise the use and supervision mechanism for the funds used for poverty alleviation, formulate unified management standards for poverty alleviation projects, standardize the procurement and bidding procedures for projects in designated assistance areas, and conduct the completion acceptance and final account review and audit of poverty alleviation projects in a timely manner to ensure the use of funds in compliance with laws and resolutely prevent the abuse of funds. Sixth, it is necessary to fully stimulate the enthusiasm of the Company's cadres and employees to participate in poverty alleviation, and create a poverty alleviation atmosphere within the Company that "everyone is willing to, has the ability to and is able to participate in poverty alleviation" to form the characteristic culture of the Company and proactively mobilize and integrate resources of all parties to form a strong joint force to promote poverty alleviation.

(IV) Proceeding with "six stabilizations", implementation of "six guarantees"

The Company formulated the Work Plan on Proceeding with "Six Stabilizations" and Implementation of the Tasks of "Six Guarantees" and established a special work leading group for "six stabilizations" and "six guarantees". The development of comprehensive financial services comprehensively promoted the construction of local real economy. The Company guided the standardized development of small and micro enterprises, helped ensure people's livelihood and poverty alleviation, and support the work in relation to "agriculture, rural areas and farmers". All works were effectively implemented to support the real economy.

In 2020, Shenwan Hongyuan Group carried out a total of 75 projects involving support of "six stabilizations" and "six guarantees", and realized financial support in an aggregate amount of RMB12.268 billion. In particular, the amount of financing supported for micro, small and medium-sized private enterprises was RMB6.357 billion, representing an increase of 128% over 2019. Shenwan Hongyuan Securities served private and small and medium-sized enterprises by providing direct or indirect financing services including listing on the NEEQ, private placement, continuous supervision, mergers and acquisitions, establishment of bailout funds, shares pledge, block trading, and agreement-based transfers. As of December 31, 2020, Shenwan Hongyuan Financing Services had provided private placement services for 59 private enterprises, recommended 4 private enterprises to be listed on the NEEQ, provided continuous supervision for 593 private enterprises, and completed 11 IPO (including selective layer) projects; in addition, it provided 62 private placements for small and medium-sized enterprises, recommended 5 small and medium-sized enterprises for listing, and provided supervision for a total of 639 small and medium-sized enterprises; the Company conducted publicity and training for small and medium-sized enterprises in economically underdeveloped areas, provided professional consulting services including tax planning, equity incentives,

corporate norms and capital planning for non-public companies, and prepared the Manual of Services for Small and Medium-sized Enterprises based on its own business practices.

As a proactive response to the national "Rural Service Strategy", the Company helped the development of agriculture, rural areas and farmers. In 2020, Hongyuan Futures carried out 7 "insurance + futures" projects, with a total insured spot volume of 35,300 tons, covering a planting area of 94,700 Mu, and the total insured amount amounted to RMB223 million, benefiting 3,917 farmers. In particular, 1,568 poverty-stricken households were registered, and the total insurance premium amounted to RMB7,899,300, the total compensation amount was RMB8,402,100, and the average compensation rate was 106.37%, covering the regions including Mengla County, Yunnan Province, Yuanzhou District, Ningxia Hui Autonomous Region, Manas County, Xinjiang Uygur Autonomous Region, Fanchang County, Anhui Province and Beijing and involving rubber, corn, cotton, egg, pig feed index and other varieties; the FICC business division of Shenwan Hongyuan Securities made investment in 11 bonds in relation to agriculture, rural areas, and rural resident in an amount of RMB14.457 billion.

The Company applied innovative service modes and issued the first central state-owned enterprise's quasi-REITs product themed by fighting against the epidemic and resumption of work and production. Warehouse receipt services and basis trading services were provided to assist enterprises to resume work and production, and differentiated pricing was implemented for customers in special areas to reduce or exempt the hedging transaction fees of futures and options for some or all enterprises in areas severely afflicted by the epidemic and poverty-stricken areas. As of December 31, 2020, the Company reduced delivery and warehouse receipt transfer fees for all types of products traded on Zhengzhou Commodity Exchange for all enterprise customers and provided call option services for free of charge, etc., and fees were reduced reasonably. In 2020, the fees for 51 companies with operating difficulties were reduced or exempted in an amount of RMB5.62 million, and the fees for shareholders of certain listed companies were reduced or exempted in an amount of RMB64.854 million.

(V) Environmental protection

The Company implements the Guiding Opinions on Building a Green Financial System and provides a full range of services for green and environmental protection-related business development and industrial upgrading by underwriting green bonds and investing in environmental protection enterprises, to promote the development of green finance. In 2020, the fixed income sales and trading headquarters of Shenwan Hongyuan Securities conducted underwriting for 20 green bonds; the FICC business division and asset management business division of Shenwan Hongyuan Securities invested in 58 green bonds; Shenwan Hongyuan Financing Services completed 3 IPO (including the selective layer) projects for green and environmental protection enterprises and 1 merger and reorganization, and provided private placement services for 7 environmental protection enterprises; Shenwan Hongyuan Investment made equity investment in 8 green industries and environmental protection enterprises.

At the same time, the Company continues to improve relevant measures for green operations. Employees are encouraged to use 70g printing paper for informal reporting documents through black and white and duplex printing; an all-round intelligent conference system that realizes the access of various terminals including conference rooms, computer desktops, tablets, and mobile phones, is promoted to reduce the number of on-site meetings. In 2020, 3,261 video conferences were held, accounting for 63% of the total number of conferences; for large-scale conferences, it's not allowed to print and distribute conference materials and electronic materials should be used instead; the Company has developed the support scope and application scenarios of paperless business. The number of branches that support paperless business has increased to 197 and the number of businesses that can be handled in a paperless way has increased to 40. The Company practices low-carbon operations and proactively promotes climate change management, to make contributions to tackling climate changes.

XIII. MATERIAL DISPOSAL, ACQUISITION, REPLACEMENT OR DIVESTMENT OF ASSETS; RESTRUCTURING OF OTHER COMPANIES; BANKRUPTCY OR REORGANIZATION, MERGER OR SEPARATION

During the Reporting Period, the Company did not conduct any material disposal, acquisition, replacement or divestment of assets, restructuring of other companies, bankruptcy or reorganization, merger or separation.

During the Reporting Period, there was no material acquisition and disposal of subsidiaries, associates or joint ventures.

Save as disclosed above, the Company had no other material investment, acquisition, disposal and future plan for material investments or acquisition of capital assets during the period.

XIV. IMPLEMENTATION OF EQUITY INCENTIVE PLAN

During the Reporting Period, the Company did not implement any equity incentive plan.

XV. CHANGES IN THE QUALIFICATIONS FOR INDIVIDUAL BUSINESSES OF THE COMPANY IN 2020

During the Reporting Period, Shenwan Hongyuan Securities, a subsidiary of the Company, obtained the qualification of pilot fund investment advisory business, the qualification of core dealer of credit protection contract and the pledged quotation repurchase transaction business of the Shenzhen Stock Exchange, and the qualification of market maker of liquefied petroleum gas futures and options of Dalian Commodity Exchange, the qualification for matters in relation to pilot cross-border business, the qualification of primary dealers for OTC options business, the qualification of market maker of natural rubber and petroleum asphalt futures of the Shanghai Futures Exchange, the qualification of main market maker of the Shanghai Stock Exchange 50ETF options of the Shanghai Stock Exchange, the qualification of market maker of corn futures of Dalian Commodity Exchange, the qualification of main market maker of the STAR Market ETF of the Shanghai Stock Exchange, and the qualification of market maker of commodity futures of Zhengzhou Commodity Exchange.

XVI. AGENCY SALES OF FINANCIAL PRODUCTS DURING THE REPORTING PERIOD

Unit: RMB

	2020		2019	
Financial products under agency sales	**Total sales amount**	**Total sales income**	**Total sales amount**	**Total sales income**
Funds	**46,330,913,893.79**	**133,346,990.48**	28,960,810,939.93	69,633,081.48
Wealth management products of banks	**—**	**—**	423,155,000.00	461,607.36
Other financial products[Note]	**63,982,910,361.72**	**87,761,654.46**	17,210,192,868.00	19,368,054.96
Total	**110,313,824,255.51**	**221,108,644.94**	46,594,158,807.93	89,462,743.80

Note: Other financial products mainly include private equity funds, structured notes and third-party asset management products.

XVII. CAPITAL ADEQUACY OF SHENWAN HONGYUAN SECURITIES, A SUBSIDIARY OF THE COMPANY

(I) Satisfaction of capital adequacy standards

Shenwan Hongyuan Securities proactively expands various financing channels to enhance capital strength, guarantee capital needs for business development, and enable the Company's capital level to continue to meet regulatory requirements.

(II) Internal capital adequacy assessment process

Shenwan Hongyuan Securities reasonably assesses internal capital adequacy and determines capital replenishment mechanisms based on a number of factors including macroeconomic operation conditions, the development of the securities market and changes in businesses, as well as capital level and regulatory requirements. In the internal capital assessment process, Shenwan Hongyuan Securities determines the periodical asset allocation scale of each business through the asset allocation and adjustment mechanism within the operating investment budget with the largest annual budget. Shenwan Hongyuan Securities determines the corresponding capital replenishment plan based on the asset allocation results and the existing capital level.

Shenwan Hongyuan Securities regularly conducts stress tests based on changes in market operations and regulatory requirements. By testing the pressure of internal capital level under different risk conditions, it determines its capital replenishment plan to enhance the risk tolerance of capital level and ensure its long-term healthy and stable development. Shenwan Hongyuan Securities regards internal capital assessment as an integral part of management decision to ensure that the board of directors, operating management and senior management can continuously evaluate the risks and changes in risk brought about by operating activities, and evaluate and judge capital adequacy prospectively. Shenwan Hongyuan Securities proactively applies the capital assessment results in the capital allocation of the business sector and exerts the role of capital assessment in capital allocation and internal decision-making to improve the efficiency of capital use. Shenwan Hongyuan Securities also takes the internal capital adequacy assessment results as one of the key factors in strategic planning, and uses the capital assessment results as an important basis for strategic decision-making.

(III) Main internal and external risk factors affecting capital adequacy

1. Capital adequacy ratio

Due to the single channel of capital replenishment and the impact of business expansion, the future capital adequacy ratio of Shenwan Hongyuan Securities may face the risk of decline. The main influencing factors are: (1) the slow increase in the size of Net Capital; (2) the rapid increase in the provision for risk capital for various businesses.

2. Risk factors affecting Net Capital

Due to the relatively single financing channel for securities traders, the slow increase in the size of Net Capital has become one of the important factors leading to the decline in capital adequacy ratio. The replenishment of Net Capital is mainly conducted through the following methods: (1) accumulation of own profits; (2) capital increase through shareholders; (3) financing in the public market including issuance of shares and subordinated bonds; (4) issuance of preferred shares, etc.

Shenwan Hongyuan Securities is proactively replenishing capital through various means such as capital increase. In addition, Shenwan Hongyuan Securities will accelerate research on innovative capital instruments including preferred shares, convertible bonds and perpetual bonds, to expand channels for capital replenishment and maintain sufficient capital level.

3. Factors affecting risk capital reserves

(1) Rapid increase in risk capital reserves arising from business expansion

In recent years, Shenwan Hongyuan's securities business has expanded at a rapid rate. The rapid development of financing business, securities proprietary business, and derivative financial products has brought promising development opportunity for the Company but also increasement of risk capital reserves, causing the risk of decrease in capital adequacy ratio.

(2) Acceleration of capital market expansion and internationalization brings unforeseen risks

With the rapid expansion of the capital market, there may be some unexpected risks, leading to losses.

(3) Policy uncertainty risk

In the future, policy changes will bring certain uncertainty to the withdrawal of Shenwan Hongyuan Securities' risk capital reserves. Changes in the calculation standards for risk capital reserves may directly affect the value of risk capital reserves. For certain capital intermediary businesses and emerging businesses, regulators may increase the corresponding standards on provision for risk capital reserves for the sake of prudent regulation, thereby bringing certain risks.

(4) Changes in paid-up capital or ordinary shares and other capital instruments

During the Reporting Period, Shenwan Hongyuan Securities did not experience changes in paid-up capital or ordinary shares and other capital instruments. On December 28, 2020, the Company convened the 57th meeting of the fourth session of the Board at which the Proposal Regarding Increase in the Registered Capital of Shenwan Hongyuan Securities Co., Ltd. was considered and approved, the Company was approved to increase the registered capital of Shenwan Hongyuan Securities with its self-owned funds in an amount of RMB5 billion. On March 4, 2021, Shenwan Hongyuan Securities completed relevant procedures for industrial and commercial registration of changes in registered capital and the registered capital of Shenwan Hongyuan Securities was increased from RMB47 billion to RMB52 billion.

XVIII. DECISION OF ADMINISTRATIVE LICENSE ON THE COMPANY BY REGULATORY AUTHORITIES DURING THE REPORTING PERIOD

No.	Date	Regulatory authority	Document name	Document No.
1	2020.01.02	Xinjiang Branch of CSRC	Approval for the Qualifications of Zhou Wei as a Member of Senior Management in Securities Company	Xin Zheng Jian Xu Ke [2020] No. 1
2	2020.02.14	Xinjiang Branch of CSRC	Approval for the Cancellation of Korla Limin Road Securities Branch by Shenwan Hongyuan Securities (Western) Co., Ltd.	Xin Zheng Jian Xu Ke [2020] No. 2
3	2020.02.24	Xinjiang Branch of CSRC	Approval for the Qualifications of Xi Rui as a Member of Senior Management in Securities Company	Xin Zheng Jian Xu Ke [2020] No. 4
4	2020.02.28	CSRC	Reply for Matters in relation to Conducting Pilot Fund Investment Advisory Business by Shenwan Hongyuan Securities Co., Ltd. and Shenwan Hongyuan Securities (Western) Co., Ltd.	Ji Gou Bu Han [2020] No. 391
5	2020.04.24	Shanghai Branch of CSRC	No-objection Letter Regarding Xue Jun as the Compliance Officer of Shenwan Hongyuan Securities Co., Ltd.	Hu Zheng Jian Ji Gou Zi [2020] No. 145
6	2020.05.25	CSRC	Reply on Approval of the Registration of Public Issuance of Corporate Bonds to Professional Investors by Shenwan Hongyuan Securities Co., Ltd.	Zheng Jian Xu Ke [2020] No. 931
7	2020.07.07	CSRC	Reply for Matters in relation to Conducting Pilot Cross-border Business by Shenwan Hongyuan Securities	Ji Gou Bu Han [2020] No. 1762
8	2020.07.10	Shanghai Branch of CSRC	Reply on Approval of the Changes in the Scope of Business of Shenwan Hongyuan Securities Co., Ltd.	Hu Zheng Jian Xu Ke [2020] No. 27
9	2020.07.11	Xinjiang Branch of CSRC	Reply on Approval of the Reduction of Bond Underwriting Business other than Convertible Corporate Bonds of Shenwan Hongyuan Financing Services Co., Ltd.	Xin Zheng Jian Xu Ke [2020] No. 5
10	2020.08.12	CSRC	Reply for Relevant Opinions on Engagement in Market Making for Commodity Futures by Shenwan Hongyuan Securities Co., Ltd.	Ji Gou Bu Han [2020] No. 2155
11	2020.08.13	Shanghai Municipal Administration of Market Supervision	Business license of Shenwan Hongyuan Securities Co., Ltd.	—

No.	Date	Regulatory authority	Document name	Document No.
12	2020.12.02	CSRC	Reply on Approval of the Registration of Public Issuance of Short-term Corporate Bonds to Professional Investors by Shenwan Hongyuan Securities Co., Ltd.	Zheng Jian Xu Ke [2020] No. 3274
13	2020.12.03	CSRC	Reply on Approval of the Registration of Public Issuance of Subordinated Corporate Bonds to Professional Investors by Shenwan Hongyuan Securities Co., Ltd.	Zheng Jian Xu Ke [2020] No. 3270
14	2020.12.21	CSRC	Reply on Approval of the Registration of Public Issuance of Perpetual Subordinated Bonds to Professional Investors by Shenwan Hongyuan Securities Co., Ltd.	Zheng Jian Xu Ke [2020] No. 3544
15	2020.12.31	CSRC	No-objection Letter Regarding the Application for Qualification of Primary Dealers for OTC Options by Shenwan Hongyuan	Ji Gou Bu Han [2020] No. 3529

XIX. CLASSIFIED EVALUATION RESULTS

According to the results of classified evaluation of securities companies as published by China Securities Regulatory Commission, Shenwan Hongyuan Securities, a subsidiary of the Company, was rated as Class A Grade AA, Class A Grade A and Class A Grade AA in 2018, 2019 and 2020, respectively.

XX. RISK CONTROL INDICATORS OF SHENWAN HONGYUAN SECURITIES, A SUBSIDIARY OF THE COMPANY

During the Reporting Period, Shenwan Hongyuan Securities performed dynamic monitoring of various risk control indicators in accordance with regulatory requirements and the Company's operation management needs, continuously improved internal risk control standards based on business development, and adopted corresponding risk control measures in a timely manner. The main risk control indicators of the Company with Net Capital and liquidity as the core were in compliance with regulatory requirements.

XXI. RECEPTION OF RESEARCH AND INTERVIEW BY THE COMPANY

The Board of Directors and business managers of the Company highly value investor relationship management and information disclosure, emphasize the truthfulness, timeliness and fairness of information disclosed, actively protect the interest of medium and small investors, earnestly listen and reply to proposals and consultative opinions of medium and small investors in the ordinary course of work. The Company maintains smooth interaction and communication with institutional investors and individual investors by means of telephone, email, via websites of the Company or Shenzhen Stock Exchange, and through regular or irregular referral conference, interview and research. The details are as follows:

No.	Reception time	Reception location	Reception method	Type of reception object	Reception object	Main content discussed and information provided
1	January 7, 2020	Meeting room of the Company	Field research	Institution	Guotai Junan Securities Co., Ltd. CCB Principal Asset Management Co., Ltd.	Operations of the Company
2	January 14, 2020	—	Telephone communication	Institution	ICBC International Research Limited	Operations of the Company
3	March 31, 2020	—	Telephone communication, network	Institution	Analysts and investors invited to the Company's 2019 annual results presentation	Operations of the Company
4	April 3, 2020	—	Network	Individual, institution	Investors who attended the Company's 2019 online annual results presentation	Operations of the Company
5	June 12, 2020	—	Telephone communication	Institution	ICBC International Research Limited	Operations of the Company
6	June 16, 2020	—	Telephone communication	Institution	Investors invited to the 2020 Interim Online Strategy Meeting of Kaiyuan Securities	Operations of the Company

No.	Reception time	Reception location	Reception method	Type of reception object	Reception object	Main content discussed and information provided
7	June 17, 2020	—	Telephone communication	Institution	Investors invited to the 2020 Interim Strategy Meeting of Guotai Junan	Operations of the Company
8	June 22, 2020	—	Telephone communication	Institution	Investors invited to the 2020 Summer Online Strategy Meeting of Huatai Securities	Operations of the Company
9	June 24, 2020	Meeting room of the Company	Field research	Institution	Northeast Securities Co., Ltd.	Operations of the Company
10	July 27, 2020	—	Telephone communication	Institution	Ten Asset Management Co., Ltd.	Operations of the Company
11	September 1, 2020	—	Telephone communication, network	Institution	Persons presented at the Company's 2020 interim meeting of analysts and investors	Operations of the Company
12	September 15, 2020	—	Telephone communication	Institution	HSBC Qianhai Securities Limited	Operations of the Company
13	September 15, 2020	Meeting room of the Company	Field research	Institution	Guotai Junan Securities Co., Ltd.	Operations of the Company
14	September 30, 2020	—	Telephone communication	Institution	Millennium Goldman Sachs	Operations of the Company
15	November 12, 2020	Meeting room of the Company	Field research	Institution	UBS Securities Company Limited	Operations of the Company
16	November 17, 2020	Meeting room of the Company	Field research	Institution	Kaiyuan Securities Co., Ltd.	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).

Number of reception	16
Number of institutions received	Over 200
Number of individuals received	No individual investor conducted site investigation
Number of other objects received	No
Whether disclosure, reveal or leakage of material undisclosed information	No

In 2020, the Company organised 3 results presentations and answered 117 questions raised by investors through interaction platform of the Shenzhen Stock Exchange.

XXII. OTHER SIGNIFICANT EVENTS

(I) Change of legal representative

On November 29, 2019, the Resolution Regarding the Appointment of the General Manager of the Company was considered and approved at the 47th meeting of the fourth session of the Board of Directors of the Company, pursuant to which Mr. Xu Zhibin was appointed as the general manager of the Company. According to the Articles of Association, the general manager is the legal representative of the Company. On January 20, 2020, the Company completed the procedures for the industrial and commercial registration of change of the legal representative. After the change, the legal representative is Xu Zhibin (For details, please refer to the relevant announcements published by the Company on China Securities Journal, Securities Times, Shanghai Securities News and the Cninfo website (www.cninfo.com.cn) on November 30, 2019 and January 22, 2020 and on the website of HKExnews (www.hkexnews.hk) on November 29, 2019 and January 21, 2020).

On December 18, 2020, the Resolution Regarding the Appointment of the General Manager of the Company was considered and approved at the 56th meeting of the fourth session of the Board of Directors of the Company, pursuant to which Mr. Huang Hao was appointed as the general manager of the Company. According to the Articles of Association, the general manager is the legal representative of the Company. On January 14, 2021, the Company completed the procedures for the industrial and commercial registration of change of the legal representative. After the change, the legal representative is Huang Hao (For details, please refer to the relevant announcements published by the Company on China Securities Journal, Securities Times, Shanghai Securities News and the Cninfo website (www.cninfo.com.cn) on December 19, 2020 and January 19, 2021 and on the website of HKExnews (www.hkexnews.hk) on December 18, 2020 and January 18, 2021).

(II) Implementation of the profit distribution plan for 2019

The profit distribution plan of the Company for 2019 is as follows: based on the total share capital of 25,039,944,560 A Shares and H Shares of the Company as of December 31, 2019, a cash dividend of RMB0.80 (tax inclusive) for every 10 shares was distributed to all A shareholders and H shareholders whose names appear on the register of members of the Company on the record date.

For A shareholders, the Company completed the implementation of the 2019 profit distribution plan on August 20, 2020 with August 19, 2020 as the equity registration date and August 20, 2020 as the ex-dividend date. (For details, please refer to the Announcement on Implementation of the 2019 Profit Distribution Plan of the Company published by the Company on China Securities Journal, Securities Times, Shanghai Securities News and the Cninfo website (www.cninfo.com.cn) on August 14, 2020).

For H shareholders, the Company distributed cash dividend for 2019 of RMB0.80 (tax inclusive) per 10 Shares to the shareholders whose names appear on the register of members of the Company on July 15, 2020. The 2019 cash dividend was distributed on August 20, 2020. The 2019 cash dividend distributed was denominated and announced in RMB and H shareholders were paid in HK dollars. The actual amount of HK dollars distributed was calculated at the average benchmark exchange rate of RMB against HK dollars (i.e. RMB0.91431 = HK$1.00) published by the People's Bank of China for the five working days before June 23, 2020 (being the date of the annual general meeting). Accordingly, the cash dividend per 10 H Shares was HK$0.87497 (tax inclusive). (For details, please refer to the Poll Results of the 2019 Annual General Meeting, Payment of Cash Dividend, Appointment of Directors and Approval and Effectiveness of the Articles of Association disclosed by the Company on the website of HKExnews (www.hkexnews.hk) on June 23, 2020).

XXIII. INDEX OF IMPORTANT INFORMATION DISCLOSED DURING THE REPORTING PERIOD

In 2020, the Company fulfilled its information disclosure obligations in accordance with the regulations. The information regarding A Shares as disclosed by the Company in China Securities Journal, Securities Times, Shanghai Securities News and at the Cninfo website (www.cninfo.com.cn) (excluding announcements of H Shares) is as follows:

No.	Announcements	Date of publication
1	Announcement on the Briefing of Financial Data for December 2019 of Shenwan Hongyuan Securities Co., Ltd.	2020-01-10
2	Announcement on the Results of the Non-public Issuance of Corporate Bonds (First Tranche) by Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-01-17
3	Announcement on Change of Legal Representative	2020-01-22
4	Announcement on the Completion of the Repayment of the Sixth Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd. in 2019	2020-01-23
5	Announcement on the Briefing of Financial Data for January 2020 of Shenwan Hongyuan Securities Co., Ltd.	2020-02-13
6	Announcement on the Completion of the Repayment of the Seventh Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd. in 2019	2020-02-18
7	Announcement on the Results of the Non-public Issuance of Corporate Bonds (Second Tranche) by Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-02-22
8	Announcement on the Transfer of the Corporate Bonds (Second Tranche) Issued by Shenwan Hongyuan Securities Co., Ltd. in a Non-public Way in 2020 on the Integrated Negotiated Trading Platform of the Shenzhen Stock Exchange	2020-02-29
9	Announcement on Payment of Interests for 2020 for the Corporate Bonds (First Tranche) Issued in a Non-public Way in 2019	2020-03-05
10	Announcement on Receipt of Reply of the CSRC on Conducting Pilot Fund Investment Advisory Business by a Subsidiary	2020-03-06
11	Announcement on the Briefing of Financial Data for February 2020 of Shenwan Hongyuan Securities Co., Ltd.	2020-03-06
12	Announcement the Results of the Issuance of the First Tranche of Short-term Financing Bonds (Bond Connect) by Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-03-10
13	Announcement on the Completion of the Repayment of the Eighth Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd. in 2019	2020-03-13
14	Announcement on Resolutions of the 49th Meeting of the Fourth Session of the Board of Directors	2020-03-14
15	2019 Annual Report and the Summary thereof	2020-03-28
16	2019 Audit Report	2020-03-28

No.	Announcements	Date of publication
17	Special Explanations on Appropriation of Non-business Capital and Flow of Other Related Capital in 2019	2020-03-28
18	Internal Control Audit Report	2020-03-28
19	Announcement on Estimated Ordinary Related Party Transactions for 2020	2020-03-28
20	2019 Work Report of Independent Directors	2020-03-28
21	2019 Work Report of the Board of Directors	2020-03-28
22	2019 Work Report of the Board of Supervisors	2020-03-28
23	Announcement on Re-appointment of Auditors	2020-03-28
24	Announcement on Resolutions of the 31st Meeting of the Fourth Session of the Board of Supervisors	2020-03-28
25	Announcement on Resolutions of the 50th Meeting of the Fourth Session of the Board of Directors	2020-03-28
26	Announcement on Amendments to the Annual Caps of Continuing Connected Transactions with China Jianyin Investment Ltd. for 2020 and 2021	2020-03-28
27	Announcement on the Accrual of the Allowance for Assets Impairment	2020-03-28
28	2019 Internal Control Evaluation Report	2020-03-28
29	2019 Social Responsibility Report	2020-03-28
30	Independent Opinions of Independent Directors on the 2019 Internal Control Evaluation Report of Shenwan Hongyuan Group Co., Ltd.	2020-03-28
31	Announcement on Convening 2019 Online Results Presentation	2020-04-01
32	Announcement the Results of the Issuance of the Second Tranche of Short-term Financing Bonds (Bond Connect) by Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-04-02
33	Announcement on the Material Litigation Involving a Subsidiary	2020-04-03
34	Entrusted Management Provisional Report on Major Issues	2020-04-03
35	Announcement on Payment of Interests for 2020 for the Corporate Bonds (Second Tranche) (Type I) Issued in a Non-public Way in 2019	2020-04-10
36	Announcement on the Key Financial Data of Shenwan Hongyuan Securities Co., Ltd. for March 2020	2020-04-10
37	Sponsorship Summary Report of Shenwan Hongyuan Financing Services Co., Ltd. on the Non-public Issuance of Shares by the Company	2020-04-13
38	Verification Opinions of Shenwan Hongyuan Financing Services Co., Ltd. on the 2019 Internal Control Evaluation Report of the Company	2020-04-13
39	Sponsorship Summary Report of Huatai United Securities Co., Ltd. on the Non-public Issuance of Shares by the Company	2020-04-13
40	Verification Opinions of Huatai United Securities Co., Ltd. on the 2019 Internal Control Evaluation Report of the Company	2020-04-13
41	Work Report of Shenwan Hongyuan Financing Services Co., Ltd. on the Sponsorship for the Company in 2019	2020-04-13

No.	Announcements	Date of publication
42	Work Report of Huatai United Securities Co., Ltd. on the Sponsorship for the Company in 2019	2020-04-13
43	Announcement on Repayment of Principal and Payment of Interest for 2020 and Delisting of the Subordinated Bonds (First Tranche) (Type I) of Shenwan Hongyuan Securities Co., Ltd. in 2018	2020-04-15
44	Announcement on the Results of the Issuance of the Third Tranche of Short-term Financing Bonds (Bond Connect) by Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-04-15
45	Announcement on Payment of Interests for 2020 for the Corporate Bonds (First Tranche) Issued Publicly to Qualified Investors in 2016	2020-04-23
46	Announcement on the Progress of the Material Litigation Involving a Subsidiary	2020-04-24
47	Entrusted Management Provisional Report by Huatai United Securities Co., Ltd. on Major Issues Regarding the Corporate Bonds	2020-04-24
48	Announcement of Shenwan Hongyuan Securities Co., Ltd. on the Results of Issuance of Subordinated Bonds (First Tranche) by the Securities Company in 2020	2020-04-25
49	Announcement the Results of the Issuance of the Fourth Tranche of Short-term Financing Bonds (Bond Connect) by Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-04-30
50	Independent Opinions of Independent Directors on Nomination of Candidates for Non-independent Directors	2020-04-30
51	Announcement on Resolutions of the 51st Meeting of the Fourth Session of the Board of Directors	2020-04-30
52	Rules of Procedure of the General Meeting (April 2020)	2020-04-30
53	Main Text and Full Test of the 2020 First Quarterly Report	2020-04-30
54	Articles of Association (April 2020)	2020-04-30
55	Comparison Table of Amendments to the Articles of Association of Shenwan Hongyuan Group Co., Ltd.	2020-04-30
56	Comparison Table of Amendments to the Rules of Procedure of the General Meeting of Shenwan Hongyuan Group Co., Ltd.	2020-04-30
57	Announcement of Shenwan Hongyuan Securities Co., Ltd. on Transfer of the Subordinated Bonds (First Tranche) Issued by the Securities Company in 2020 on the Integrated Negotiated Trading Platform of the Shenzhen Stock Exchange	2020-05-07
58	Notice on Convening the 2019 Annual General Meeting	2020-05-08
59	Announcement on Resolutions of the 52nd Meeting of the Fourth Session of the Board of Directors	2020-05-09
60	Independent Opinion of Independent Directors on the Appointment of Senior Management	2020-05-09
61	Announcement on the Material Litigation Involving a Subsidiary	2020-05-11
62	Entrusted Management Provisional Report on Major Issues	2020-05-11

No.	Announcements	Date of publication
63	Announcement on the Briefing of Financial Data for April 2020 of Shenwan Hongyuan Securities Co., Ltd.	2020-05-12
64	Announcement on the Current Accumulated New Borrowings Exceeding 20% of the Net Assets at the End of Last Year	2020-05-12
65	Announcement on Progress of Providing Guarantee for a Wholly-owned Subsidiary	2020-05-13
66	Entrusted Management Provisional Report on Major Issues	2020-05-14
67	Announcement on Progress of Providing Guarantee for a Wholly-owned Subsidiary	2020-05-15
68	Announcement on Progress of Providing Guarantee for a Wholly-owned Subsidiary	2020-05-21
69	Announcement of Shenwan Hongyuan Securities Co., Ltd. on the Results of Issuance of Subordinated Bonds (Second Tranche) by the Securities Company in 2020	2020-05-26
70	Announcement on Repayment of Principal and Payment of Interest for 2020 and Delisting of the Subordinated Bonds (Second Tranche) of Shenwan Hongyuan Securities Co., Ltd. in 2018	2020-05-26
71	Ongoing Credit Rating Report on the Company and 16 ShenHong 01, 16 ShenHong 03, 18 ShenHong 01 and 18 ShenHong 02 Issued by the Company	2020-05-27
72	Announcement on Receipt of the Reply from the CSRC on Public Issuance of Corporate Bonds to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-05-28
73	Announcement of Shenwan Hongyuan Securities Co., Ltd. on Transfer of the Subordinated Bonds (Second Tranche) Issued by the Securities Company in 2020 on the Integrated Negotiated Trading Platform of the Shenzhen Stock Exchange	2020-06-02
74	Materials for the 2019 Annual General Meeting	2020-06-03
75	Announcement on the Briefing of Financial Data for May 2020 of Shenwan Hongyuan Securities Co., Ltd.	2020-06-05
76	Announcement on the Completion of the Repayment of the First Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-06-09
77	Announcement on Participation in the Online Collective Reception Day for Investors of Listed Companies in Xinjiang in 2020	2020-06-19
78	Announcement on Resignation of Director	2020-06-23
79	Announcement on Resolutions of the 2019 Annual General Meeting, Legal Opinion for the 2019 Annual General Meeting	2020-06-24
80	Entrusted Management Report on the Non-public Issuance of Corporate Bonds (First Tranche), (Second Tranche) and (Third Tranche) in 2019 (2019)	2020-06-29

No.	Announcements	Date of publication
81	Entrusted Management Report on the Public Issuance of Corporate Bonds (Second Tranche) by the Company to Qualified Investors in 2018 (2019)	2020-06-29
82	Entrusted Management Report on the Public Issuance of Corporate Bonds (First Tranche) and (Second Tranche) by the Company to Qualified Investors in 2016 (2019)	2020-06-29
83	Announcement on the Completion of the Repayment of the Second Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-06-30
84	Announcement on the Briefing of Financial Data for June 2020 of Shenwan Hongyuan Securities Co., Ltd.	2020-07-09
85	Announcement on Payment of Interests for 2020 for the Corporate Bonds (First Tranche) (Type I) Issued Publicly to Qualified Investors in 2018	2020-07-15
86	Announcement on Payment of Interests for 2020 for the Corporate Bonds (First Tranche) (Type II) Issued Publicly to Qualified Investors in 2018	2020-07-15
87	Announcement on the Completion of the Repayment of the Third Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-07-16
88	Announcement on the Reply for Matters in relation to Conducting Pilot Cross-border Business by Shenwan Hongyuan Securities Co., Ltd.	2020-07-18
89	Announcement on the Proposed Issuance of Bonds by Shenwan Hongyuan Securities Co., Ltd.	2020-07-23
90	Announcement on the Results of the Issuance of the Fifth Tranche of Short-term Financing Bonds (Bond Connect) by Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-07-25
91	Announcement on the Results of the Issuance of Corporate Bonds to Professional Investors in a Public Way by Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-07-28
92	Indicative Announcement relating to the Partial Lifting of Shares Subject to Selling Restrictions	2020-07-29
93	Announcement on the Completion of the Repayment of the Fourth Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-07-30
94	Announcement on the Transfer of the Corporate Bonds (First Tranche) Issued to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2020 at the Shenzhen Stock Exchange	2020-08-01
95	Announcement on Progress of Providing Guarantee for a Wholly-owned Subsidiary	2020-08-06
96	Announcement on the Briefing of Financial Data for July 2020 of Shenwan Hongyuan Securities Co., Ltd.	2020-08-07
97	Announcement on the Current Accumulated New Borrowings Exceeding 20% of the Net Assets at the End of Last Year	2020-08-07
98	Entrusted Management Provisional Report on Major Issues	2020-08-11

No.	Announcements	Date of publication
99	Announcement on Implementation of Profit Distribution for A Shares for 2019	2020-08-14
100	Announcement on the Material Litigation Involving a Subsidiary	2020-08-21
101	Entrusted Management Provisional Report on Major Issues	2020-08-21
102	Announcement on the Results of the Issuance of the Sixth Tranche of Short-term Financing Bonds (Bond Connect) by Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-08-25
103	Independent Opinions on the Capital Occupation and External Guarantees of the Company's Controlling Shareholder and Other Related Parties	2020-08-29
104	Announcement on Resolutions of the 53rd Meeting of the Fourth Session of the Board of Directors	2020-08-29
105	Summary of 2020 Interim Report	2020-08-29
106	2020 Interim Financial Report	2020-08-29
107	2020 Interim Report	2020-08-29
108	Announcement on Payment of Interests for 2020 for the Corporate Bonds (Second Tranche) (Type II) Issued Publicly to Qualified Investors in 2016	2020-09-07
109	Announcement on the Results of the Issuance of the Seventh Tranche of Short-term Financing Bonds (Bond Connect) by Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-09-09
110	Announcement on the Current Accumulated New Borrowings Exceeding 40% of the Net Assets at the End of Last Year	2020-09-09
111	Announcement on the Results of the Issuance of Corporate Bonds (Second Tranche) to Professional Investors in a Public Way by Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-09-11
112	Entrusted Management Provisional Report by Huatai United Securities Co., Ltd. on Major Issues Regarding Corporate Bonds	2020-09-11
113	Announcement on Progress of Providing Guarantee for a Wholly-owned Subsidiary	2020-09-15
114	Announcement on the Changes in the Scope of Business of a Subsidiary	2020-09-17
115	Announcement on the Transfer of the Corporate Bonds (Second Tranche) Issued to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2020 at the Shenzhen Stock Exchange	2020-09-18
116	Announcement on Repayment of Principal and Payment of Interest and Delisting of the Subordinated Bonds (Third Tranche) of Securities Company Issued in 2018 of Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-09-18
117	Announcement on the Material Litigation Involving a Subsidiary	2020-09-24
118	Entrusted Management Provisional Report by Huatai United Securities Co., Ltd. on Major Issues Regarding Corporate Bonds	2020-09-24
119	Announcement on Resolutions of the 54th Meeting of the Fourth Session of the Board of Directors	2020-09-29
120	Plan on Authorisation to the Board of Directors by General Meeting (2020)	2020-09-29
121	Statement of the Candidate for Independent Director	2020-09-29

No.	Announcements	Date of publication
122	Statement of the Nominator of Independent Director	2020-09-29
123	Independent Opinions of Independent Directors on Nomination of Candidates for Independent Non-executive Directors	2020-09-29
124	Letter of Commitment on Attendance of Training for Independent Directors and Obtaining the Qualification Certificate for Independent Directors	2020-09-29
125	Announcement on Progress of Providing Guarantee for a Wholly-owned Subsidiary	2020-09-29
126	Notice on Convening the 2020 First Extraordinary General Meeting	2020-10-14
127	Materials for the 2020 First Extraordinary General Meeting	2020-10-14
128	Announcement on the Results of the Issuance of the Eighth Tranche of Short-term Financing Bonds (Bond Connect) by Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-10-21
129	Announcement on the Material Arbitration Involving a Subsidiary	2020-10-21
130	Entrusted Management Provisional Report by Huatai United Securities Co., Ltd. on Major Issues Regarding Corporate Bonds	2020-10-21
131	Announcement on the Proposed Establishment of an Asset Management Subsidiary and the Changes in the Scope of Business, etc. of Shenwan Hongyuan Securities Co., Ltd.	2020-10-22
132	Entrusted Management Provisional Report by Huatai United Securities Co., Ltd. on Major Issues Regarding Corporate Bonds	2020-10-22
133	Announcement on the Progress of the Material Litigation Involving a Subsidiary	2020-10-22
134	Announcement on Payment of Interests for 2020 for the Corporate Bonds (Third Tranche) Issued in a Non-public Way in 2019	2020-10-23
135	Announcement on the Completion of the Repayment of the Fifth Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-10-24
136	Announcement on the Results of the Issuance of Corporate Bonds (Third Tranche) to Professional Investors in a Public Way by Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-10-28
137	Announcement on the Reply from the CSRC on Relevant Opinions on the Issuance of Perpetual Subordinated Bonds by Shenwan Hongyuan Securities Co., Ltd.	2020-10-29
138	Special Opinion of the Independent Directors	2020-10-31
139	Main Text of the 2020 Third Quarterly Report	2020-10-31
140	Full Text of the 2020 Third Quarterly Report	2020-10-31
141	Announcement on the Transfer of the Corporate Bonds (Third Tranche) Issued to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2020 at the Shenzhen Stock Exchange	2020-11-04
142	Announcement on the Resignation of Independent Non-executive Director	2020-11-04

No.	Announcements	Date of publication
143	Announcement on Resolutions of the 2020 First Extraordinary General Meeting	2020-11-06
144	Legal Opinion of the 2020 First Extraordinary General Meeting	2020-11-06
145	Entrusted Management Provisional Report by Huatai United Securities Co., Ltd. on Major Issues	2020-11-09
146	Announcement on Progress of the Material Litigation Involving a Subsidiary	2020-11-09
147	Announcement on the Results of the Issuance of Corporate Bonds (Fourth Tranche) to Professional Investors in a Public Way by Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-11-17
148	Announcement on Repayment of Principal and Payment of Interest and Delisting of the Subordinated Bonds (Firth Tranche) (Type II) of Securities Company Issued in 2017 of Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-11-17
149	Announcement on Progress of the Material Litigation Involving a Subsidiary	2020-11-17
150	Entrusted Management Provisional Report by Huatai United Securities Co., Ltd. on Major Issues	2020-11-17
151	Announcement on Progress of Providing Guarantee for a Wholly-owned Subsidiary	2020-11-20
152	Announcement on the Completion of the Repayment of the Sixth Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-11-21
153	Announcement on Repayment of Principal and Payment of Interest and Delisting of the Corporate Bonds (Firth Tranche) (Type I) Issued in a Non-public Way in 2018 of Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-11-21
154	Announcement on Progress of the Material Litigation Involving a Subsidiary	2020-11-23
155	Entrusted Management Provisional Report by Huatai United Securities Co., Ltd. on Major Issues Regarding Corporate Bonds	2020-11-23
156	Announcement on the Results of the Issuance of the Ninth Tranche of Short-term Financing Bonds (Bond Connect) by Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-11-24
157	Announcement on the Listing of the Corporate Bonds (Fourth Tranche) Issued to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2020 at the Shenzhen Stock Exchange	2020-11-24
158	Announcement on Reply from the CSRC on Registration of the Subordinated Corporate Bonds and Short-term Corporate Bonds Issued to Professional Investors in a Public Way by Shenwan Hongyuan Securities Co., Ltd.	2020-12-12
159	Announcement on the Results of the Issuance of the Tenth Tranche of Short-term Financing Bonds (Bond Connect) by Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-12-15

No.	Announcements	Date of publication
160	Announcement on Resolutions of the 56th Meeting of the Fourth Session of the Board of Directors	2020-12-19
161	Independent Opinions of Independent Directors	2020-12-19
162	Announcement on Resignation of Director and General Manager	2020-12-19
163	Announcement on Resignation of the Secretary to the Board of Directors of the Company	2020-12-19
164	Announcement on the Results of the Issuance of Corporate Bonds (Fifth Tranche) to Professional Investors in a Public Way by Shenwan Hongyuan Securities Co., Ltd. in 2020	2020-12-22
165	Entrusted Management Provisional Report by Huatai United Securities Co., Ltd. on Major Issues	2020-12-24
166	Announcement on the Listing of the Corporate Bonds (Fifth Tranche) Issued to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2020 at the Shenzhen Stock Exchange	2020-12-25
167	Announcement on the Increase in Registered Capital of Shenwan Hongyuan Securities Co., Ltd.	2020-12-29
168	Announcement on Resolutions of the 57th Meeting of the Fourth Session of the Board of Directors	2020-12-29
169	Independent Opinion of Independent Directors on the 2019 Remuneration Settlement Plan for Senior Management	2020-12-29
170	Entrusted Management Provisional Report by Huatai United Securities Co., Ltd. on Major Issues	2020-12-31
171	Announcement on Progress of the Material Litigation Involving a Subsidiary	2020-12-31

The information on H shares disclosed by the Company on the website of HKEx at www.hkexnews.hk during the Reporting Period (excluding overseas regulatory announcements) is as follows:

No.	Announcements	Date of publication
1	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended December 31, 2019	2020-01-07
2	Announcement on the Key Financial Data of Shenwan Hongyuan Securities Co., Ltd. for December 2019	2020-01-09
3	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended January 31, 2020	2020-02-06
4	Announcement on the Key Financial Data of Shenwan Hongyuan Securities Co., Ltd. for January 2020	2020-02-12
5	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended February 29, 2020	2020-03-05
6	Announcement on the Key Financial Data of Shenwan Hongyuan Securities Co., Ltd. for February 2020	2020-03-05

No.	Announcements	Date of publication
7	Date of Board Meeting	2020-03-17
8	2019 Environmental, Social and Governance Report	2020-03-27
9	Continuing Connected Transactions — Proposed Amendments to the Annual Caps	2020-03-27
10	Annual Results Announcement for the Year Ended December 31, 2019	2020-03-27
11	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended March 31, 2020	2020-04-03
12	Announcement on the Key Financial Data of Shenwan Hongyuan Securities Co., Ltd. for March 2020	2020-04-09
13	Date of Board Meeting	2020-04-17
14	2019 Annual Report	2020-04-20
15	2020 First Quarterly Report	2020-04-29
16	Proposed Amendments to Articles of Association	2020-04-29
17	Proposed Appointment of Non-Executive Director	2020-04-29
18	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended April 30, 2020	2020-05-07
19	Notice of the 2019 Annual General Meeting	2020-05-07
20	Form of Proxy of Holders of H Shares for Use at the Annual General Meeting to be Held on June 23, 2020	2020-05-07
21	Reply Slip for Holders of H Share for Attending the Annual General Meeting to be Held on June 23, 2020	2020-05-07
22	Announcement on the Key Financial Data of Shenwan Hongyuan Securities Co., Ltd. for April 2020	2020-05-11
23	Circular of the 2019 Annual General Meeting	2020-06-02
24	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended May 31, 2020	2020-06-04
25	Announcement on the Key Financial Data of Shenwan Hongyuan Securities Co., Ltd. for May 2020	2020-06-05
26	Resignation of Non-executive Director	2020-06-22
27	List of Directors and their Role and Function	2020-06-22
28	Poll Results of the 2019 Annual General Meeting, Payment of Cash Dividend, Appointment of Directors and Approval and Effectiveness of the Articles of Association	2020-06-23
29	Articles of Association	2020-06-23
30	List of Directors and their Role and Function	2020-06-23
31	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 30 June 2020	2020-07-07
32	Announcement on the Key Financial Data of Shenwan Hongyuan Securities Co., Ltd. for June 2020	2020-07-08

No.	Announcements	Date of publication
33	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 31 July 2020	2020-08-06
34	Announcement on the Key Financial Data of Shenwan Hongyuan Securities Co., Ltd. for July 2020	2020-08-06
35	Date of Board Meeting	2020-08-18
36	Interim Results Announcement for the Six Months ended June 30, 2020	2020-08-28
37	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 31 August 2020	2020-09-04
38	2020 Interim Report	2020-09-15
39	Proposed Appointment of Independent Non-Executive Director	2020-09-28
40	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 30 September 2020	2020-10-08
41	Notice of the 2020 First Extraordinary General Meeting	2020-10-13
42	Form of Proxy of Holders of H Shares for Use at the 2020 First Extraordinary General Meeting or Any Adjournment Thereof to be Held on November 5, 2020	2020-10-13
43	Circular of the 2020 First Extraordinary General Meeting	2020-10-13
44	Date of Board Meeting	2020-10-19
45	2020 Third Quarterly Report	2020-10-30
46	Resignation of Independent Non-executive Director	2020-11-03
47	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 31 October 2020	2020-11-05
48	Poll Results of the 2020 First Extraordinary General Meeting and Change of the Independent Non-Executive Director	2020-11-05
49	List of Directors and their Role and Function	2020-11-05
50	Announcement	2020-11-06
51	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 30 November 2020	2020-12-04
52	Announcement Resignation of Executive Director and General Manager; Appointment of General Manager; Proposed Appointment of Executive Director; Resignation of Chief Financial Officer, Joint Company Secretary and Authorized Representative; Appointment of Chief Financial Officer and Appointment of Authorized Representative	2020-12-18
53	List of Directors and their Role and Function	2020-12-18

XXIV. OTHER SIGNIFICANT MATTERS OF SUBSIDIARIES OF THE COMPANY

(I) Corporate bonds of Shenwan Hongyuan Securities, a subsidiary of the Company

1. Basic information of corporate bonds

Name of bond	Abbreviation of bond	Bond code	Issuance date	Maturity date	Outstanding amount (RMB'0,000)	Interest rate	Method of repayment of principal and payment of interests
2017 Corporate Bonds Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. (First Tranche) (Type I)	17 ShenZheng 01	136980	2017/2/17	2022/2/17	750,000.00	4.40%	
2017 Corporate Bonds Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. (First Tranche) (Type II)	17 ShenZheng 02	136981	2017/2/17	2024/2/17	50,000.00	4.50%	The interest of these bonds is calculated at simple interest on an annual basis with no compound interest counted, and paid once a year. The principal will be returned upon maturity. The interest of the last tranche will be paid together with the principal.
Corporate Bonds Issued Publicly to Qualified Investors by Shenwan Hongyuan Securities Co., Ltd. in 2018 (First Tranche) (Type I)	18 ShenZheng 03	112812	2018/12/10	2023/12/10	150,000.00	4.08%	
Corporate Bonds Issued Publicly to Qualified Investors by Shenwan Hongyuan Securities Co., Ltd. in 2019 (First Tranche) (Type I)	19 ShenZheng 01	112840	2019/1/16	2022/1/16	220,000.00	3.55%	

Name of bond	Abbreviation of bond	Bond code	Issuance date	Maturity date	Outstanding amount (RMB'0,000)	Interest rate	Method of repayment of principal and payment of interests
Corporate Bonds Issued Publicly to Qualified Investors by Shenwan Hongyuan Securities Co., Ltd. in 2019 (Second Tranche) (Type I)	19 ShenZheng 03	112864	2019/3/11	2022/3/11	620,000.00	3.68%	The interest of these bonds is calculated at simple interest on an annual basis with no compound interest counted, and paid once a year. The principal will be returned upon maturity. The interest of the last tranche will be paid together with the principal.
Corporate Bonds Issued Publicly to Qualified Investors by Shenwan Hongyuan Securities Co., Ltd. in 2019 (Third Tranche) (Type I)	19 ShenZheng 05	112901	2019/5/9	2022/5/9	810,000.00	3.88%	
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2020 (First Tranche) (Type II)	20 ShenZheng 06	149173	2020/7/27	2023/7/27	410,000.00	3.49%	

Name of bond	Abbreviation of bond	Bond code	Issuance date	Maturity date	Outstanding amount (RMB'0,000)	Interest rate	Method of repayment of principal and payment of interests
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2020 (Second Tranche) (Type II)	20 ShenZheng 08	149230	2020/9/10	2023/9/10	320,000.00	3.76%	The interest of these bonds is calculated at simple interest on an annual basis with no compound interest counted, and paid once a year. The principal will be returned upon maturity. The interest of the last tranche will be paid together with the principal.
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2020 (Third Tranche) (Type II)	20 ShenZheng 10	149274	2020/10/26	2023/10/26	570,000.00	3.68%	
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2020 (Fourth Tranche) (Type II)	20 ShenZheng 12	149299	2020/11/16	2022/11/16	170,000.00	3.55%	

Name of bond	Abbreviation of bond	Bond code	Issuance date	Maturity date	Outstanding amount (RMB'0,000)	Interest rate	Method of repayment of principal and payment of interests
Corporate Bonds Issued by Shenwan Hongyuan Securities Co., Ltd. in a Non-public Way in 2018 (First Tranche) (Type II)	18 ShenZheng 02	114406	2018/11/19	2021/11/19	300,000.00	4.20%	
Corporate Bonds Issued by Shenwan Hongyuan Securities Co., Ltd. in a Non-public Way in 2019 (First Tranche) (Type I)	19 ShenZheng 07	114499	2019/6/14	2021/6/14	100,000.00	3.90%	
Corporate Bonds Issued by Shenwan Hongyuan Securities Co., Ltd. in a Non-public Way in 2020 (First Tranche) (Type I)	20 ShenZheng 01	114652	2020/1/16	2022/1/16	400,000.00	3.40%	The interest of these bonds is calculated at simple interest on an annual basis with no compound interest counted, and paid once a year. The principal will be returned upon maturity. The interest of the last tranche will be paid together with the principal.
Corporate Bonds Issued by Shenwan Hongyuan Securities Co., Ltd. in a Non-public Way in 2020 (First Tranche) (Type II)	20 ShenZheng 02	114653	2020/1/16	2023/1/16	200,000.00	3.55%	
Corporate Bonds Issued by Shenwan Hongyuan Securities Co., Ltd. in a Non-public Way in 2020 (Second Tranche) (Type I)	20 ShenZheng 03	114665	2020/2/21	2022/2/21	100,000.00	3.03%	

Name of bond	Abbreviation of bond	Bond code	Issuance date	Maturity date	Outstanding amount (RMB'0,000)	Interest rate	Method of repayment of principal and payment of interests
Corporate Bonds Issued by Shenwan Hongyuan Securities Co., Ltd. in a Non-public Way in 2020 (Second Tranche) (Type II)	20 ShenZheng 04	114666	2020/2/21	2023/2/21	300,000.00	3.20%	
2018 Subordinated Bonds of Securities Company of Shenwan Hongyuan Securities Co., Ltd. (First Tranche) (Type II)	18 ShenZheng C2	118977	2018/4/12	2023/4/12, if investors exercise the put-back option, 2021/4/12 for the part of the bonds put back	460,000.00	5.35%	The interest of these bonds is calculated at simple interest on an annual basis with no compound interest counted, and paid once a year. The principal will be returned upon maturity. The interest of the last tranche will be paid together with the principal.
2020 Subordinated Bonds of Securities Company of Shenwan Hongyuan Securities Co., Ltd. (First Tranche) (Type II)	20 ShenZheng C2	115112	2020/4/23	2023/4/23	600,000.00	3.18%	
2020 Subordinated Bonds of Securities Company of Shenwan Hongyuan Securities Co., Ltd. (Second Tranche)	20 ShenZheng C3	115114	2020/5/25	2023/5/25	600,000.00	3.25%	
2021 Subordinated Bonds of Securities Company of Shenwan Hongyuan Securities Co., Ltd. (First Tranche)	21 ShenZheng C1	149360	2021/1/21	2024/1/21	300,000.00	3.93%	

Name of bond	Abbreviation of bond	Bond code	Issuance date	Maturity date	Outstanding amount (RMB'0,000)	Interest rate	Method of repayment of principal and payment of interests
2021 Subordinated Bonds of Securities Company of Shenwan Hongyuan Securities Co., Ltd. (Second Tranche)	21 ShenZheng C2	149405	2021/3/11	2024/3/11	380,000.00	3.94%	
Short-term Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2020	20 ShenZheng D5	149172	2020/7/27	2021/7/27	350,000.00	2.97%	
Short-term Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2020 (Second Tranche) (Type I)	20 ShenZheng D7	149229	2020/9/10	2021/6/10	330,000.00	3.15%	The interest of these bonds is calculated at simple interest with no compound interest counted. The principal and interests will be paid upon maturity. The interest will be paid together with the principal.
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2020 (Fifth Tranche)	20 ShenZheng 13	149333	2020/12/18	2021/9/18	630,000.00	3.13%	
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2020 (Third Tranche) (Type I)	20 ShenZheng 09	149273	2020/10/26	2021/11/5	220,000.00	3.16%	
Short-term Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2020 (First Tranche)	21 ShenZheng D1	149361	2021/2/26	2021/8/26	350,000.00	2.97%	

Stock exchange on which corporate bonds are listed or transferred	Shanghai Stock Exchange (17 ShenZheng 01, 17 ShenZheng 02); Shenzhen Stock Exchange (18 ShenZheng 03, 19 ShenZheng 01, 19 ShenZheng 03, 19 ShenZheng 05, 20 ShenZheng D5, 20 ShenZheng 06, 20 ShenZheng D7, 20 ShenZheng 08, 20 ShenZheng 09, 20 ShenZheng 10, 20 ShenZheng 12, 20 ShenZheng 13, 18 ShenZheng 02, 19 ShenZheng 07, 20 ShenZheng 01, 20 ShenZheng 02, 20 ShenZheng 03, 20 ShenZheng 04, 18 ShenZheng C2, 20 ShenZheng C2, 20 ShenZheng C3, 21 ShenZheng C1, 21 ShenZheng D1, 21 ShenZheng C2)
Investor eligibility arrangement	17 ShenZheng 01, 17 ShenZheng 02, 18 ShenZheng 03, 19 ShenZheng 01, 19 ShenZheng 03, and 19 ShenZheng 05 Were issued to qualified investors. 20 ShenZheng D5, 20 ShenZheng 06, 20 ShenZheng D7, 20 ShenZheng 08, 20 ShenZheng 09, 20 ShenZheng 10, 20 ShenZheng 12, 20 ShenZheng 13 and 21 ShenZheng D1 were issued to professional investors. 21 ShenZheng C1 and 21 ShenZheng C2 were issued to professional institutional investors meeting the conditions under clauses (I) to (IV) in clause I of Article VIII in the Measures for Management of Eligibility of Securities and Futures Investors. The other bonds were issued to qualified institutional investors.
Payment of interests and repayment of principal of corporate bonds during the Reporting Period	On January 16, 2020, the company paid interests of 19 ShenZheng 01 in an amount of interest of RMB3.55 (tax inclusive) per bond. On February 17, 2020, the company paid interests of 17 ShenZheng 01 and 17 ShenZheng 02 in an amount of RMB4.40 (tax inclusive) per bond and RMB4.50 (tax inclusive) per bond. On March 11, 2020, the company paid interests of 19 ShenZheng 03 in an amount of interest of RMB3.68 (tax inclusive) per bond. On April 13, 2020, the company repaid the principal and paid interests of 18 ShenZheng C1 in an aggregate amount of RMB105.25 (tax inclusive) per bond; and paid interests of 18 ShenZheng C2 in an amount of interest of RMB5.35 (tax inclusive) per bond. On May 11, 2020, the company paid interests of 19 ShenZheng 05 in an amount of interest of RMB3.88 (tax inclusive) per bond. On May 21, 2020, the company repaid the principal and paid interests of 18 ShenZheng C3 in an aggregate amount of RMB105.38 (tax inclusive) per bond. On June 15, 2020, the company paid interests of 19 ShenZheng 07 in an amount of interest of RMB3.90 (tax inclusive) per bond. On September 17, 2020, the company repaid the principal and paid interests of 18 ShenZheng C5 in an aggregate amount of RMB104.69 (tax inclusive) per bond. On November 18, 2020, the company paid interests of 17 ShenZheng C2 in an aggregate amount of interest of RMB105.30 (tax inclusive) per bond. On November 19, 2020, the company repaid the principal and paid interests of 18 ShenZheng 01 in an aggregate amount of RMB104.10 (tax inclusive) per bond; and paid interests of 18 ShenZheng 02 in an amount of interest of RMB4.20 (tax inclusive) per bond. On December 10, 2020, the company paid interests of 18 ShenZheng 03 in an amount of interest of RMB4.08 (tax inclusive) per bond.
Performance of relevant special terms during the Reporting Period, such as corporate bonds issuer or investor option and exchangeable terms (if applicable).	18 ShenZheng C2 is subject to the redemption option of the issuer and put-back option of investors. Such options were not implemented during the Reporting Period.

2. Information of bond trustee and credit rating agency

(1) 17 ShenZheng 01, 17 ShenZheng 02, 18 ShenZheng C2, 18 ShenZheng 03, 19 ShenZheng 01, 19 ShenZheng 03, 19 ShenZheng 05

Bond trustee:							
Name	Huatai United Securities Co., Ltd.	**Office address**	20/F, Block E, Poly Plaza, No. 18 Dongfang Road, Shanghai	**Contact person**	Feng Yulan	**Telephone of contact person**	021-38966558
Credit rating agency(ies) which conducted rating on corporate bonds during the Reporting Period:							
Name	Shanghai Brilliance Credit Rating & Investors Service Co., Ltd.			**Office address**	14/F, Huasheng Building, No. 398 Hankou Road, Shanghai		
Reason of change, procedures to be conducted and impacts on benefits of investors, etc. in case the bond trustee and credit rating agency hired by the company during the Reporting Period have changed (if applicable)					N/A		

(2) 18 ShenZheng 02, 19 ShenZheng 07

Bond trustee:							
Name	Huatai United Securities Co., Ltd.	**Office address**	20/F, Block E, Poly Plaza, No. 18 Dongfang Road, Shanghai	**Contact person**	Feng Yulan	**Telephone of contact person**	021-38966558
Credit rating agency(ies) which conducted rating on corporate bonds during the Reporting Period:							
Name	N/A			**Office address**	N/A		
Reason of change, procedures to be conducted and impacts on benefits of investors, etc. in case the bond trustee and credit rating agency hired by the company during the Reporting Period have changed (if applicable)					N/A		

(3) 20 ShenZheng 01, 20 ShenZheng 02, 20 ShenZheng 03, 20 ShenZheng 04

Bond trustee:							
Name	Industrial Securities Co., Ltd.	**Office address**	6/F, North Zone, No. 35 Jinshifang Street, Xicheng District, Beijing	**Contact person**	He Bingpeng	**Telephone of contact person**	010-50911206
Credit rating agency(ies) which conducted rating on corporate bonds during the Reporting Period:							
Name	N/A			**Office address**	N/A		
Reason of change, procedures to be conducted and impacts on benefits of investors, etc. in case the bond trustee and credit rating agency hired by the company during the Reporting Period have changed (if applicable)					N/A		

(4) 20 ShenZheng C2, 20 ShenZheng C3

Bond trustee:							
Name	Guotai Junan Securities Co., Ltd.	**Office address**	36/F, Bohua Plaza, No. 669 Xinzha Road, Jing'an District, Shanghai	**Contact person**	Zhang Guanghao	**Telephone of contact person**	021-38677556
Credit rating agency(ies) which conducted rating on corporate bonds during the Reporting Period:							
Name	N/A			**Office address**	N/A		
Reason of change, procedures to be conducted and impacts on benefits of investors, etc. in case the bond trustee and credit rating agency hired by the company during the Reporting Period have changed (if applicable)					N/A		

(5) 20 ShenZheng D5, 20 ShenZheng 06, 20 ShenZheng D7, 20 ShenZheng 08, 20 ShenZheng 09, 20 ShenZheng 10, 20 ShenZheng 12, 20 ShenZheng 13, 21 ShenZheng C1, 21 ShenZheng D1, 21 ShenZheng C2

Bond trustee:							
Name	Guotai Junan Securities Co., Ltd.	**Office address**	36/F, Bohua Plaza, No. 669 Xinzha Road, Jing'an District, Shanghai	**Contact person**	Zhang Guanghao, Liang Guanpeng	**Telephone of contact person**	021-38677556, 021-38677930
Credit rating agency(ies) which conducted rating on corporate bonds during the Reporting Period:							
Name	China Lianhe Credit Rating Co. Ltd.			**Office address**	10/F, PICC Building, No.2 Jianguomenwai Avenue, Chaoyang District, Beijing		
Reason of change, procedures to be conducted and impacts on benefits of investors, etc. in case the bond trustee and credit rating agency hired by the company during the Reporting Period have changed (if applicable)					N/A		

3. Use of proceeds

(1) 17 ShenZheng 01, 17 ShenZheng 02

Use of proceeds from corporate bonds and implementation procedures	The proceeds have been used, and all of the proceeds were used to replenish the company's working capital, support business development, and meet the company's strategic development needs.
Ending Balance (RMB'0,000)	0.00
Operation of special account for proceeds	The special account for proceeds is opened with Shanghai Huangpu Sub-branch of Agricultural Bank of China Limited. During the Reporting Period, the account was used to complete the payment of interest for bonds.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	Yes

(2) 18 ShenZheng 03

Use of proceeds from corporate bonds and implementation procedures	The proceeds have been used, and all of the proceeds were used to replenish the company's working capital, support business development, and meet the company's strategic development needs.
Ending Balance (RMB'0,000)	0.00
Operation of special account for proceeds	The special account for proceeds is opened with Shanghai Branch of China Minsheng Banking Corp., Ltd. During the Reporting Period, the account was used to complete the payment of interest for bonds.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	Yes

(3) 19 ShenZheng 01

Use of proceeds from corporate bonds and implementation procedures	The proceeds have been used, and all of the proceeds were used to repay matured debts.
Ending Balance (RMB'0,000)	0.00
Operation of special account for proceeds	The special account for proceeds is opened with the Shanghai Branch of Bank of China Limited. During the Reporting Period, the account was used to complete the payment of interest for bonds.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	Yes

(4) 19 ShenZheng 03

Use of proceeds from corporate bonds and implementation procedures	The proceeds have been used, and all of the proceeds were used to repay matured debts.
Ending Balance (RMB'0,000)	0.00
Operation of special account for proceeds	The special account for proceeds is opened with the Shanghai Bund Sub-branch of China Merchants Bank Co., Ltd. During the Reporting Period, the account was used to complete the payment of interest for bonds.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	Yes

(5) 19 ShenZheng 05

Use of proceeds from corporate bonds and implementation procedures	The proceeds have been used, and all of the proceeds were used to repay the matured debts and replenish the working capital.
Ending Balance (RMB'0,000)	0.00
Operation of special account for proceeds	The special account for proceeds is opened with the Fuzhou Branch of China Merchants Bank Co., Ltd. During the Reporting Period, the account was used to complete the payment of interest for bonds.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	Yes

(6) 18 ShenZheng 02

Use of proceeds from corporate bonds and implementation procedures	The proceeds have been used, and all of the proceeds were used to repay matured debts.
Ending Balance (RMB'0,000)	0.00
Operation of special account for proceeds	The special account for proceeds is opened with the Shanghai Branch of Industrial and Commercial Bank of China Limited. During the Reporting Period, the account was used to complete the payment of interest for bonds.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	Yes

(7) 19 ShenZheng 07

Use of proceeds from corporate bonds and implementation procedures	The proceeds have been used, and all of the proceeds were used to repay matured debts.
Ending Balance (RMB'0,000)	0.00
Operation of special account for proceeds	The special account for proceeds is opened with the Fuzhou Branch of China Merchants Bank Co., Ltd. During the Reporting Period, the account was used to complete the payment of interest for bonds.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	Yes

(8) 20 ShenZheng 01, 20 ShenZheng 02

Use of proceeds from corporate bonds and implementation procedures	The proceeds have been used, and all of the proceeds were used to repay matured debts.
Ending Balance (RMB'0,000)	0.00
Operation of special account for proceeds	The special account for proceeds is opened with the Shanghai Branch of Industrial and Commercial Bank of China Limited. During the Reporting Period, the account was used to complete the receipt and use of proceeds.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	Yes

(9) 20 ShenZheng 03, 20 ShenZheng 04

Use of proceeds from corporate bonds and implementation procedures	The proceeds have been used, and all of the proceeds were used to repay matured debts.
Ending Balance (RMB'0,000)	0.00
Operation of special account for proceeds	The special account for proceeds is opened with the Shanghai Branch of China Merchants Bank Co., Ltd. During the Reporting Period, the account was used to complete the receipt and use of proceeds.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	Yes

(10) 20 ShenZheng D5, 20 ShenZheng 06

Use of proceeds from corporate bonds and implementation procedures	The proceeds have been used, and all of the proceeds were used to replenish the working capital and repay the matured debts.
Ending Balance (RMB'0,000)	0.00
Operation of special account for proceeds	The special account for proceeds is opened with the Shanghai Branch of Industrial and Commercial Bank of China Limited. During the Reporting Period, the account was used to complete the receipt and use of proceeds.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	Yes

(11) 20 ShenZheng D7, 20 ShenZheng 08

Use of proceeds from corporate bonds and implementation procedures	The proceeds have been used, and all of the proceeds were used to replenish the working capital and repay the matured debts.
Ending Balance (RMB'0,000)	0.00
Operation of special account for proceeds	The special account for proceeds is opened with the Shanghai Branch of Industrial and Commercial Bank of China Limited. During the Reporting Period, the account was used to complete the receipt and use of proceeds.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	Yes

(12) 20 ShenZheng 09, 20 ShenZheng 10

Use of proceeds from corporate bonds and implementation procedures	The proceeds have been used, and all of the proceeds were used to replenish the working capital and repay the matured debts.
Ending Balance (RMB'0,000)	0.00
Operation of special account for proceeds	The special account for proceeds is opened with the Sanlin Sub-branch of Shanghai Pudong Development Bank. During the Reporting Period, the account was used to complete the receipt and use of proceeds.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	Yes

(13) 20 ShenZheng 12

Use of proceeds from corporate bonds and implementation procedures	The proceeds have been used, and all of the proceeds were used to repay matured debts.
Ending Balance (RMB'0,000)	0.00
Operation of special account for proceeds	The special account for proceeds is opened with the Shanghai Branch of Industrial and Commercial Bank of China Limited. During the Reporting Period, the account was used to complete the receipt and use of proceeds.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	Yes

(14) 20 ShenZheng 13

Use of proceeds from corporate bonds and implementation procedures	The proceeds have been used, and all of the proceeds were used to replenish the working capital and repay the matured debts.
Ending Balance (RMB'0,000)	280,843.20
Operation of special account for proceeds	The special account for proceeds is opened with the Shanghai Branch of Industrial and Commercial Bank of China Limited. During the Reporting Period, the account was used to complete the receipt and use of proceeds.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	Yes

(15) 18 ShenZheng C2

Use of proceeds from corporate bonds and implementation procedures	The proceeds have been used, and all of the proceeds were used to replenish the company's working capital.
Ending Balance (RMB'0,000)	0.00
Operation of special account for proceeds	The special account for proceeds is opened with Shanghai Branch of Bank of China Limited. During the Reporting Period, the account was in standard operation subject to requirements.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	Yes

(16) 20 ShenZheng C2

Use of proceeds from corporate bonds and implementation procedures	The proceeds have been used, and all of the proceeds were used to repay matured debts.
Ending Balance (RMB'0,000)	0.00
Operation of special account for proceeds	The special account for proceeds is opened with the Shanghai Branch of Industrial Bank Co., Ltd. During the Reporting Period, the account was used to complete the receipt and use of proceeds.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	Yes

(17) 20 ShenZheng C3

Use of proceeds from corporate bonds and implementation procedures	The proceeds have been used, and all of the proceeds were used to repay matured debts.
Ending Balance (RMB'0,000)	0.00
Operation of special account for proceeds	The special account for proceeds is opened with Fuzhou Branch of China Merchants Bank Co., Ltd. During the Reporting Period, the account was used to complete the receipt and use of proceeds.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	Yes

(18) 21 ShenZheng C1

Use of proceeds from corporate bonds and implementation procedures	As of the date of this report, the proceeds have been used up, and all of the proceeds were used to replenish the working capital and repay the matured debts.
Ending Balance (RMB'0,000)	N/A
Operation of special account for proceeds	The special account for proceeds is opened with Shanghai Luwan Sub-branch of Agricultural Bank of China Limited. After the Reporting Period, the account was used to complete the receipt and use of proceeds.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	Yes

(19) 21 ShenZheng D1

Use of proceeds from corporate bonds and implementation procedures	As of the date of this report, the proceeds have been used up, and all of the proceeds were used to repay debts due within one year.
Ending Balance (RMB'0,000)	N/A
Operation of special account for proceeds	The special account for proceeds is opened with Shanghai Bund Sub-branch of China Merchants Bank Co., Ltd. After the Reporting Period, the account was used to complete the receipt and use of proceeds.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	Yes

(20) 21 ShenZheng C2

Use of proceeds from corporate bonds and implementation procedures	The proceeds have been used, and all of the proceeds were used to replenish the company's working capital and repay matured debts.
Ending Balance (RMB'0,000)	N/A
Operation of special account for proceeds	The special account for proceeds is opened with Industrial and Commercial Bank of China Limited. After the Reporting Period, the account was used to complete the receipt and use of proceeds.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	Yes

4. Credit rating of corporate bonds

Shenwan Hongyuan Securities engaged Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. (the "Shanghai Brilliance") to conduct rating on 17 ShenZheng 01, 17 ShenZheng 02, 18 ShenZheng C2, 18 ShenZheng 03, 19 ShenZheng 01, 19 ShenZheng 03 and 19 ShenZheng 05. According to the Ongoing Credit Rating Report issued by Shanghai Brilliance on May 28, 2020, which has been disclosed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange (the "SSE & SZSE"), the credit rating of the company is AAA and the outlook of ratings is stable; the credit rating of 18 ShenZheng C2 is AA+; the credit ratings of 17 ShenZheng 01, 17 ShenZheng 02, 18 ShenZheng 03, 19 ShenZheng 01, 19 ShenZheng 03 and 19 ShenZheng 05 are AAA. The outlook of ratings of bonds per tranche is stable; the issuer credit rating, the credit rating of bonds and rating outlook are the same as the results of the previous rating. The company engaged China Lianhe Credit Rating Co. Ltd. ("Lianhe Credit") to conduct rating on 20 ShenZheng D5, 20 ShenZheng 06, 20 ShenZheng D7, 20 ShenZheng 08, 20 ShenZheng 09, 20 ShenZheng 10, 20 ShenZheng 12, 20 ShenZheng 13, 21 ShenZheng C1, 21 ShenZheng D1 and 21 ShenZheng C2. During the Reporting Period, it was not required to issue the Ongoing Credit Rating Report for 2019. According to the exchanges' requirements on the disclosure time of the ongoing credit rating report, the 2020 ongoing credit rating report for the abovementioned bonds will be disclosed on the SSE & SZSE by June 30, 2021, and investors are advised to pay attention thereto.

According to the Ongoing Credit Rating Report on the Public Issuance of Corporate Bonds to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2020 (First Tranche) (Type I) issued by Lianhe Credit on January 29, 2021, the credit rating of Shenwan Hongyuan is AAA, and the outlook of ratings of bonds is stable; the credit rating of 20 ShenZheng D5 is AAA; the outlook of ratings of bonds is stable; the issuer credit rating, the credit rating of bonds and rating outlook are the same as the results of the previous rating.

According to the requirements of stock exchanges on the time of disclosure of ongoing credit rating reports, the Ongoing Credit Rating Report on 20 ShenZheng D7 will be disclosed at the Shanghai Stock Exchange and the Shenzhen Stock Exchange before March 31, 2021, the Ongoing Credit Rating Report on 20 ShenZheng 13 will be disclosed at the Shanghai Stock Exchange and the Shenzhen Stock Exchange before June 30, 2021, it is not required to issue an 2020 ongoing credit rating report

for 21 ShenZheng C1, 21 ShenZheng D1 and 21 ShenZheng C2, the Ongoing Credit Rating Report on 17 ShenZheng 01, 17 ShenZheng 02, 18 ShenZheng C2, 18 ShenZheng 03, 19 ShenZheng 01, 19 ShenZheng 03, 19 ShenZheng 05, 20 ShenZheng 06, 20 ShenZheng 08, 20 ShenZheng 09, 20 ShenZheng 10 and 20 ShenZheng 12 will be disclosed at the Shanghai Stock Exchange and the Shenzhen Stock Exchange before June 30, 2021. No rating was conducted on other bonds.

During the Reporting Period, the company engaged Lianhe to conduct an issuer rating on the company for the issuance of short-term financing bonds by the securities company. According to the credit rating reports issued by Lianhe, the company's issuer credit rating is AAA, and the rating outlook is "stable", and there is no difference in rating.

5. Credit enhancement mechanism, debt repayment plan and other debt repayment safeguard measures for corporate bonds

During the Reporting Period, there was no credit enhancement arrangement for the issued bonds of Shenwan Hongyuan Securities, and the repayment plan and other repayment safeguard measures were consistent with the relevant commitments in the prospectus without major changes. The company was able to implement the debt repayment plan and debt repayment safeguard measures in accordance with relevant agreements, to effectively safeguard the interests of bondholders. The company set up special accounts for the issued bonds. The withdrawal of funds from the special accounts during the Reporting Period was consistent with the relevant commitments in the prospectus.

6. Meeting of bond holders

During the Reporting Period, no bondholder meeting was held by Shenwan Hongyuan Securities.

7. Performance of bond trustee

Shenwan Hongyuan Securities engaged Huatai United Securities Co., Ltd. ("Huatai United") as the bond trustee of 17 ShenZheng 01, 17 ShenZheng 02, 18 ShenZheng C2, 18 ShenZheng 02, 18 ShenZheng 03, 19 ShenZheng 01, 19 ShenZheng 03, 19 ShenZheng 05 and 19 ShenZheng 07. The possible conflicts of interest when the trustee performs its duties and the relevant risk prevention mechanism have been disclosed in the prospectus of the abovementioned bonds. According to the Entrusted Management Agreement entered into between both parties, on June 18, 2020, Huatai United issued the Report on Entrusted Management of 2017 Corporate Bonds Offered Publicly by Shenwan Hongyuan Securities Co., Ltd. (First Tranche) (2019), the Report on Entrusted Management of Corporate Bonds Offered Publicly to Qualified Investors by Shenwan Hongyuan Securities Co., Ltd. in 2018 (First Tranche), Corporate Bonds Offered Publicly to Qualified Investors by Shenwan Hongyuan Securities Co., Ltd. in 2019 (First Tranche), Corporate Bonds Offered Publicly to Qualified Investors by Shenwan Hongyuan Securities Co., Ltd. in 2019 (Second Tranche), and Corporate Bonds Offered Publicly to Qualified Investors by Shenwan Hongyuan Securities Co., Ltd. in 2019 (Third Tranche) (2019), the Report on Entrusted Management of Corporate Bonds Offered Non-publicly by Shenwan Hongyuan Securities Co., Ltd. in 2018 (First Tranche) and Corporate Bonds Offered Non-publicly by Shenwan Hongyuan Securities Co., Ltd. in 2019 (First Tranche) (2019), and the Report on Entrusted Management of 2017 Subordinated Bonds of Securities Company (First Tranche), 2018 Subordinated Bonds of Securities Company (First Tranche) and 2018 Subordinated Bonds of Securities Company (Third Tranche) of Shenwan Hongyuan Securities Co., Ltd. (2019).

Shenwan Hongyuan Securities engaged Industrial Securities Co., Ltd. ("Industrial Securities") as the bond trustee of 20 ShenZheng 01, 20 ShenZheng 02, 20 ShenZheng 03 and 20 ShenZheng 04, and the relevant risk prevention mechanism for the possible conflict of interest when the trustee performs its duties has been disclosed in the prospectus of the abovementioned bonds. It is not required to issue the 2019 entrusted management report on 20 ShenZheng 01, 20 ShenZheng 02, 20 ShenZheng 03 and 20 ShenZheng 04.

Shenwan Hongyuan Securities engaged Guotai Junan Securities Co., Ltd. ("Guotai Junan") as the bond trustee of 20 ShenZheng D5, 20 ShenZheng 06, 20 ShenZheng D7, 20 ShenZheng 08, 20 ShenZheng 09, 20 ShenZheng 10, 20 ShenZheng 12, 20 ShenZheng 13, 20 ShenZheng C2, 20 ShenZheng C3, 21 ShenZheng C1, 21 ShenZheng D1 and 21 ShenZheng C2, and the relevant risk prevention mechanism for the possible conflict of interest when the trustee performs its duties has been disclosed in the prospectus of the abovementioned bonds. It is not required to issue the 2019 entrusted management report on 20 ShenZheng D5, 20 ShenZheng 06, 20 ShenZheng D7, 20 ShenZheng 08, 20 ShenZheng 09, 20 ShenZheng 10, 20 ShenZheng 12, 20 ShenZheng 13, 20 ShenZheng C2, 20 ShenZheng C3, 21 ShenZheng C1, 21 ShenZheng D1 and 21 ShenZheng C2.

8. Interest payment and repayment of principal of other bonds and debt financing instruments during the Reporting Period

Name of bond	Abbreviation of bond	Bond code	Date of issuance	Payment of interest and repayment of principal during the Reporting Period
Southwest Securities — No. 1 asset-backed plan backed by margin account debts of Shenwan Hongyuan (priority)	18 ShenWan 01	116902	2018/3/29	Repayment of principal of RMB1,900 million and payment of interests of RMB54,948,950.00 upon maturity
Huafu — No. 1 asset-backed plan backed by margin account debts of Shenwan Hongyuan Securities (priority)	ShenWan 1A01	116924	2018/4/27	Repayment of principal of RMB1,900 million and payment of interests of RMB33,934,380.00 upon maturity
2019 Sixth Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd.	19 Shenwan Hongyuan CP006BC	071900130	2019/10/23	Repayment of principal of RMB4,000 million and payment of interests of RMB29,419,178.08 upon maturity
2019 Seventh Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd.	19 Shenwan Hongyuan CP007BC	071900148	2019/11/15	Repayment of principal of RMB3,000 million and payment of interests of RMB23,186,301.37 upon maturity
2019 Eighth Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd.	19 Shenwan Hongyuan CP008BC	071900168	2019/12/11	Repayment of principal of RMB3,000 million and payment of interests of RMB22,812,328.77 upon maturity
2020 First Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd.	20 Shenwan Hongyuan CP001BC	072000059	2020/3/9	Repayment of principal of RMB4,000 million and payment of interests of RMB22,737,534.25 upon maturity
2020 Second Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd.	20 Shenwan Hongyuan CP002BC	072000083	2020/3/30	Repayment of principal of RMB4,000 million and payment of interests of RMB17,152,876.71 upon maturity

Name of bond	Abbreviation of bond	Bond code	Date of issuance	Payment of interest and repayment of principal during the Reporting Period
2020 Third Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd.	20 Shenwan Hongyuan CP003BC	072000093	2020/4/14	Repayment of principal of RMB5,000 million and payment of interests of RMB17,452,054.79 upon maturity
2020 Fourth Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd.	20 Shenwan Hongyuan CP004BC	072000110	2020/4/29	Repayment of principal of RMB3,000 million and payment of interests of RMB10,695,616.44 upon maturity
2020 Fifth Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd.	20 Shenwan Hongyuan CP005BC	072000190	2020/7/23	Repayment of principal of RMB4,000 million and payment of interests of RMB25,430,136.99 upon maturity
2020 Sixth Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd.	20 Shenwan Hongyuan CP006BC	072000211	2020/8/21	Repayment of principal of RMB3,000 million and payment of interests of RMB19,670,958.90 upon maturity
2020 Seventh Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd.	20 Shenwan Hongyuan CP007BC	072000220	2020/9/7	Repayment of principal of RMB3,000 million and payment of interests of RMB20,344,109.59 upon maturity
2020 Eighth Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd.	20 Shenwan Hongyuan CP008BC	072000249	2020/10/19	No payment of interests or repayment of principal
2020 Ninth Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd.	20 Shenwan Hongyuan CP009BC	072000271	2020/11/23	No payment of interests or repayment of principal
2020 Tenth Tranche of Short-term Financing Bonds (Bond Connect) of Shenwan Hongyuan Securities Co., Ltd.	20 Shenwan Hongyuan CP010BC	072000287	2020/12/14	No payment of interests or repayment of principal

Name of bond	Abbreviation of bond	Bond code	Date of issuance	Payment of interest and repayment of principal during the Reporting Period
2019 First Tranche of Financial Bonds of Shenwan Hongyuan Securities Co., Ltd.	19 Shenwan Hongyuan Financial Bonds 01	091900023	2019/9/18	Payment of interests of RMB205,800,000.00 as scheduled

9. Bank facilities obtained, the use thereof and repayment of bank loans

As of December 31, 2020, Shenwan Hongyuan Securities was granted bank facilities in a total amount of approximately RMB436.2 billion by over 100 banks, among which, the size of bank facilities granted by the top 10 banks amounted to approximately RMB256.5 billion and approximately RMB97.043 billion had been used.

During the Reporting Period, the interest-bearing debts of Shenwan Hongyuan Securities were repaid on time without default, extension or remission.

10. Performance of relevant agreements or commitments in the prospectus of corporate bonds

During the Reporting Period, Shenwan Hongyuan Securities stringently performed the relevant stipulations or commitments in the prospectus of corporate bonds, the usage of the proceeds was consistent with the stipulations in the prospectus; the company stringently performed its duty for information disclosure, and repaid the principal and paid the interest of bonds on time to protect the legitimate rights and interests of investors. During the Reporting Period, the company did not default on the repayment of principal or payment of interest of the issued bonds. The company operated stably with satisfactory profitability, detecting no risk of failing to make payments as scheduled in the future.

11. Significant matters

(1) On March 27, 2020, Shenwan Hongyuan Securities was informed that the case of the dispute over the pledged securities repurchase raised by the company against Weng Wuyou, Lin Yongfei and Weng Yayun had been accepted by the Shanghai Financial Court. On March 30, 2020, Shenwan Hongyuan Securities published the Announcement on the Material Litigation Involving Shenwan Hongyuan Securities Co., Ltd. through the Shenzhen Stock Exchange and the Shanghai Stock Exchange (for details, please refer to the relevant announcements published on the Shenzhen Stock Exchange at http://www.szse.cn and the Shanghai Stock Exchange at http://www.sse.com.cn). On March 11, 2021, Shenwan Hongyuan Securities received the first instance judgment from the Shanghai Financial Court. On March 15, 2021, Shenwan Hongyuan Securities published the Announcement on the Progress of the Material Litigation Involving Shenwan Hongyuan Securities Co., Ltd. through the Shenzhen Stock Exchange and the Shanghai Stock Exchange (for details, please refer to the relevant announcements published on the Shenzhen Stock Exchange at http://www.szse.cn and the Shanghai Stock Exchange at http://www.sse.com.cn).

(2) On April 13, 2020, Shenyin & Wanguo Zhifu Investment Co., Ltd., a sub-subsidiary of the company, received the civil ruling on the case of a sales contract dispute raised by Shanghai Zhuxin Industrial Co., Ltd. against Shenyin & Wanguo Zhifu Investment Co., Ltd. made by Shanghai

No. 1 Intermediate People's Court. On April 21, 2020, Shenwan Hongyuan Securities published the Announcement on Progress of the Material Litigation Involving a Sub-subsidiary of Shenwan Hongyuan Securities Co., Ltd. through the Shenzhen Stock Exchange and the Shanghai Stock Exchange (for details, please refer to the relevant announcements published on the Shenzhen Stock Exchange at http://www.szse.cn and the Shanghai Stock Exchange at http://www.sse.com.cn).

(3) On May 6, 2020, Shenwan Hongyuan Securities was informed that the case of the dispute over the pledged securities repurchase raised by the company against Shen Peijin and Zhu Lijing had been accepted by the Shanghai Financial Court. On May 7, 2020, Shenwan Hongyuan Securities published the Announcement on the Material Litigation Involving Shenwan Hongyuan Securities Co., Ltd. through the Shenzhen Stock Exchange and the Shanghai Stock Exchange (for details, please refer to the relevant announcements published on the Shenzhen Stock Exchange at http://www.szse.cn and the Shanghai Stock Exchange at http://www.sse.com.cn). On January 10, 2021, Shenwan Hongyuan Securities received the first instance judgment on the case of the dispute over the pledged securities repurchase raised by the company against Shen Peijin and Zhu Lijing from the Shanghai Financial Court. On January 11, 2021, Shenwan Hongyuan Securities published the Announcement on the Progress of the Material Litigation Involving Shenwan Hongyuan Securities Co., Ltd. through the Shenzhen Stock Exchange and the Shanghai Stock Exchange (for details, please refer to the relevant announcements published on the Shenzhen Stock Exchange at http://www.szse.cn and the Shanghai Stock Exchange at http://www.sse.com.cn).

(4) As of April 30, 2020, the current accumulated new borrowings of Shenwan Hongyuan Securities exceeded 20% of the net assets of Shenwan Hongyuan Securities as of December 31, 2019. On May 12, 2020, Shenwan Hongyuan Securities published the Announcement of Shenwan Hongyuan Securities Co., Ltd. on the Current Accumulated New Borrowings Exceeding 20% of the Net Assets at the End of Last Year through the Shenzhen Stock Exchange and the Shanghai Stock Exchange (for details, please refer to the relevant announcements published on the Shenzhen Stock Exchange at http://www.szse.cn and the Shanghai Stock Exchange at http://www.sse.com.cn).

(5) As of July 31, 2020, the current accumulated new borrowings of Shenwan Hongyuan Securities exceeded 20% of the net assets of Shenwan Hongyuan Securities as of December 31, 2019. On August 7, 2020, Shenwan Hongyuan Securities published the Announcement of Shenwan Hongyuan Securities Co., Ltd. on the Current Accumulated New Borrowings Exceeding 20% of the Net Assets at the End of Last Year through the Shenzhen Stock Exchange and the Shanghai Stock Exchange (for details, please refer to the relevant announcements published on the Shenzhen Stock Exchange at http://www.szse.cn and the Shanghai Stock Exchange at http://www.sse.com.cn).

(6) On August 18, 2020, Shenwan Hongyuan Securities was informed that the cases of the dispute over the pledged securities repurchase raised by Shenwan Hongyuan Securities against Ke Zonggui and Chen Seqin and the cases of the dispute over the pledged securities repurchase raised by Shenwan Hongyuan Securities against Ke Zongqing and Tan Aiwu had been accepted. On August 20, 2020, Shenwan Hongyuan Securities published the Announcement on the Material Litigation Involving Shenwan Hongyuan Securities Co., Ltd. through the Shenzhen Stock Exchange and the Shanghai Stock Exchange (for details, please refer to the relevant announcements published on the Shenzhen Stock Exchange at http://www.szse.cn and the Shanghai Stock Exchange at http://www.sse.com.cn).

(7) As of August 31, 2020, the current accumulated new borrowings of Shenwan Hongyuan Securities exceeded 40% of the net assets of Shenwan Hongyuan Securities as of December 31, 2019. On September 7, 2020, Shenwan Hongyuan Securities published the Announcement of Shenwan Hongyuan Securities Co., Ltd. on the Current Accumulated New Borrowings Exceeding 40% of the Net Assets at the End of Last Year through the Shenzhen Stock Exchange and the Shanghai Stock Exchange (for details, please refer to the relevant announcements published on the Shenzhen Stock Exchange at http://www.szse.cn and the Shanghai Stock Exchange at http://www.sse.com.cn).

(8) Shenwan Hongyuan Securities and its subsidiary Shenwan Hongyuan Financing Services Co., Ltd. successively completed the changes in the business license and the license to operate the securities and futures business. On September 16, 2020, Shenwan Hongyuan Securities published the Announcement of Shenwan Hongyuan Securities Co., Ltd. on the Changes in the Scope of Business through the Shenzhen Stock Exchange and the Shanghai Stock Exchange (for details, please refer to the relevant announcements published on the Shenzhen Stock Exchange at http://www.szse.cn and the Shanghai Stock Exchange at http://www.sse.com.cn).

(9) On October 12, 2020, Shenwan Hongyuan Securities was informed that the case of the dispute over the pledged bonds repurchase raised by Shenwan Hongyuan Securities against TruValue Asset Management Co., Ltd. had been accepted by the Shenzhen Court of International Arbitration. On October 13, 2020, the company published the Announcement on the Material Litigation Involving Shenwan Hongyuan Securities Co., Ltd. through the Shenzhen Stock Exchange and the Shanghai Stock Exchange (for details, please refer to the relevant announcements published on the Shenzhen Stock Exchange at http://www.szse.cn and the Shanghai Stock Exchange at http://www.sse.com.cn).

(10) On September 29, 2020, Shenwan Hongyuan Securities and Dalian Deta Holding Co., Ltd. reached a settlement agreement on the dispute over the housing demolition and relocation compensation agreement. After the settlement agreement was signed, Shenwan Hongyuan Securities applied to the Intermediate People's Court of Dalian City to withdraw the lawsuit. On October 19, 2020, the company received the ruling approving the withdrawal of the lawsuit by Shenwan Hongyuan Securities from the court. On October 21, 2020, Shenwan Hongyuan Securities published the Announcement on the Material Litigation Involving Shenwan Hongyuan Securities Co., Ltd. through the Shenzhen Stock Exchange and the Shanghai Stock Exchange (for details, please refer to the relevant announcements published on the Shenzhen Stock Exchange at http://www.szse.cn and the Shanghai Stock Exchange at http://www.sse.com.cn).

(11) Shenwan Hongyuan Securities and the defendants of the cases of the dispute over the pledged securities repurchase raised by Shenwan Hongyuan Securities against Ke Zongqing and Tan Aiwu reached a settlement through the organization of the court, and received a paper of civil mediation from the court on November 3, 2020. On November 5, 2020, Shenwan Hongyuan Securities published the Announcement on the Material Litigation Involving Shenwan Hongyuan Securities Co., Ltd. through the Shenzhen Stock Exchange and the Shanghai Stock Exchange (for details, please refer to the relevant announcements published on the Shenzhen Stock Exchange at http://www.szse.cn and the Shanghai Stock Exchange at http://www.sse.com.cn).

(12) As of October 31, 2020, the current accumulated new borrowings of Shenwan Hongyuan Securities exceeded 60% of the net assets of Shenwan Hongyuan Securities as of December 31, 2019. On November 16, 2020, Shenwan Hongyuan Securities published the Announcement of

Shenwan Hongyuan Securities Co., Ltd. on the Current Accumulated New Borrowings Exceeding 60% of the Net Assets at the End of Last Year through the Shenzhen Stock Exchange and the Shanghai Stock Exchange (for details, please refer to the relevant announcements published on the Shenzhen Stock Exchange at http://www.szse.cn and the Shanghai Stock Exchange at http://www.sse.com.cn).

(13) After case of a sales contract dispute raised by Shanghai Zhuxin Industrial Co., Ltd. against Shenyin & Wanguo Zhifu Investment Co., Ltd., a sub-subsidiary of the company, was returned for retrial, the People's Court of Pudong New District of Shanghai made a ruling on October 22, 2020 that: the prosecution by the plaintiff Shanghai Zhuxin Industrial Co., Ltd. be rejected. On November 13, 2020, Shenwan Hongyuan Securities published the Announcement on the Progress of the Material Litigation Involving Shenwan Hongyuan Securities Co., Ltd. through the Shenzhen Stock Exchange and the Shanghai Stock Exchange (for details, please refer to the relevant announcements published on the Shenzhen Stock Exchange at http://www.szse.cn and the Shanghai Stock Exchange at http://www.sse.com.cn).

(14) On November 18, 2020, Shenwan Hongyuan Securities was informed that its subsidiary Shenyin & Wanguo Alternative Investment Co., Ltd. received the preliminary ruling on the case of the dispute over trust loan default raised by Shenyin & Wanguo Alternative Investment Co., Ltd. against Zhongke Construction and Development Corporation and others. On November 20, 2020, Shenwan Hongyuan Securities published the Announcement on the Progress of the Material Litigation Involving a Subsidiary of Shenwan Hongyuan Securities Co., Ltd. through the Shenzhen Stock Exchange and the Shanghai Stock Exchange (for details, please refer to the relevant announcements published on the Shenzhen Stock Exchange at http://www.szse.cn and the Shanghai Stock Exchange at http://www.sse.com.cn).

Other than those listed above, there was no further progress on the aforementioned material litigations during the Reporting Period. The new borrowing is a normal financing activity required for the operation and business development of Shenwan Hongyuan Securities and its subsidiaries, and will not have material adverse effects on the operating activities and solvency of Shenwan Hongyuan Securities.

The abovementioned matters will not have material adverse effects on the operating activities and solvency of Shenwan Hongyuan Securities.

12. Guarantor for corporate bonds

As of the end of the Reporting Period, there was no guarantor for corporate bonds.

(II) Information about customer solicitation and customer service of commission brokers of Shenwan Hongyuan Securities, a subsidiary of the Company

As of December 31, 2020, Shenwan Hongyuan Securities had a total of 307 branches that implement the securities brokerage system in the PRC, with 1,957 securities brokers in service (including 82 from the branches of Shenwan Hongyuan Securities (Western)), of which 1,957 securities brokers (including 82 from the branches of Shenwan Hongyuan Securities (Western)) had completed the registration of the qualifications for securities broker with the Securities Association of China and 0 was in the process of registration (including 0 from the branches of Shenwan Hongyuan Securities (Western)).

According to the requirements of "centralized and unified management of securities brokers and their practices" in the Interim Provisions on the Management of Securities Brokers issued by the CSRC, Shenwan Hongyuan Securities attaches great importance to the management of securities brokers and clearly stipulates the responsibilities in works and management requirements for the management of securities brokers at the headquarters and branches in the securities brokerage management system: the wealth management business division is responsible for the implementation of centralized and unified management of the company's securities brokers, the human resources headquarters, the risk management headquarters and the planning and financial management headquarters will provide collaborative management, the information technology development headquarters and the IT support headquarters provide technical system development support and operation and maintenance support, to establish a sound securities brokerage management system, internal control mechanism and technical system. Branches are the departments that specifically manage and operate securities brokers. They have branch managers, compliance managers, and marketing managers who carefully implement the qualification review, contract signing process, training management, information query, entrusted contract and file management, certificate management, daily management, assessment commission management, risk management, code of conduct, customer return visits, abnormal transaction monitoring, accountability and other specific tasks of the securities brokers to ensure that securities brokers engage in customer solicitation and customer service in strict accordance with the company's authorisation to achieve the standardized implementation and stable development of the securities broker system of branches.

(III) Relevant regulatory measures

1. In February 2020, Ningbo Branch of Shenwan Hongyuan Securities was imposed administrative penalty by Ningbo Central Sub-branch of the People's Bank of China

On February 11, 2020, Ningbo Central Sub-branch of the People's Bank of China issued an administrative penalty decision against Ningbo Branch. The main contents are as follows: Ningbo Branch failed to fulfill the obligations of customer identification and keep transaction records in accordance with the regulations, and the circumstances were serious, so it was decided to impose a fine of RMB550,000 on Ningbo Branch.

Upon receipt of the letter, Ningbo Branch proactively carried out rectification in accordance with regulatory requirements, strengthened customer identification, standardized transaction record preservation, further improved anti-money laundering work, and promptly submitted the rectification report to the local branch of the People's Bank of China.

2. In April 2020, SWS MU was ordered to make corrections and was imposed regulatory measures by the CSRC Shanghai branch

On April 27, 2020, the CSRC Shanghai Branch took regulatory measures against SWS MU including order to make corrections. The main contents are as follows: the financial accounting of funds and asset valuation system of SWS MU were not perfect, the internal control effectiveness was insufficient, and there were errors in the disclosure of the net value of relevant fund shares.

Upon receipt of the letter, SWS MU earnestly implemented rectification requirements, proactively took measures including improvement of systems and processes, further strengthened the risk and responsibility awareness of business personnel to prevent the reoccurrence of such events, and submitted a rectification report to the regulatory authority.

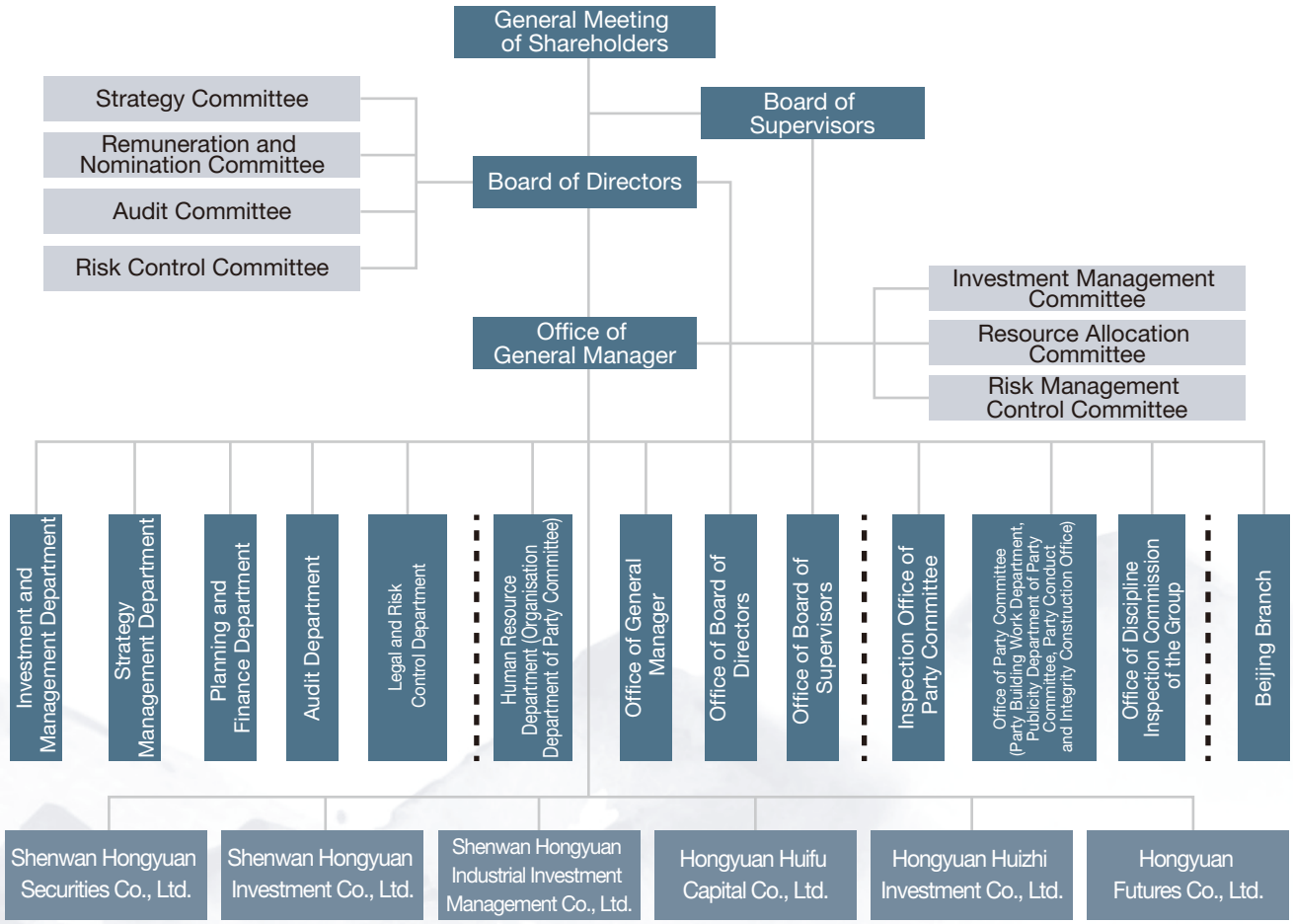
3. In November 2020, Shenwan Hongyuan Securities was ordered to make corrections by the CSRC Shanghai Branch

On November 4, 2020, the CSRC Shanghai Branch issued the order to make corrections to Shenwan Hongyuan Securities. The main contents are as follows: SWS Research, a subsidiary of Shenwan Hongyuan Securities, launched the business of issuing securities research reports, but failed to conduct quality control and compliance review for a securities research report published by Liu Yang, a signing securities analyst of SWS Research, on the public account with the company's name.

Upon receipt of the letter, SWS Research effectively strengthened the management of new media and intensified the compliance review mechanism before the release of research reports to enhance compliance inspections and ensure that the information released is legal and compliant. Meanwhile, further efforts were made on the compliance training and compliance education for securities analysts, to prevent recurrence of similar incidents, and submitted a rectification report to the regulatory authorities as required.

XXV. ORGANISATION OF THE COMPANY

(I) Organisation chart of Shenwan Hongyuan Group



(II) Major subsidiaries of the Company

No.	Name of subsidiary	Registered address	Time of establishment	Registered capital	Share-holding	Principal	Telephone
1	Shenwan Hongyuan Securities Co., Ltd.	45/F, No. 989 Changle Road, Xuhui District, Shanghai	January 16, 2015	RMB52 billion[Note]	100%	Yang Yucheng	021-33389888
2	Shenwan Hongyuan Industrial Investment Management Company Limited	Room 2003, 20/F, Dacheng International Building, No. 358 Beijing South Road, Urumqi High-tech Industrial Development Zone (New Zone), Xinjiang	January 21, 2015	RMB200 million	100%	Liu Yue	010-88085858
3	Hongyuan Huifu Capital Co., Ltd.	Room 201, 2/F, No. 19 Taipingqiao Street, Xicheng District, Beijing	March 19, 2010	RMB500 million	100%	He Sha	010-88085858
4	Hongyuan Huizhi Investment Co., Ltd.	Room 3–4 (Room 104, Building 3), Balongqiao Yayuan, Qiaozi Town, Huairou District, Beijing	March 27, 2012	RMB2 billion	100%	Xu Liang	010-88013705
5	Hongyuan Futures Co., Ltd.	Room 4B, 4/F, No. 19 Taipingqiao Street, Xicheng District, Beijing	May 2, 1995	RMB1 billion	100%	Wang Huadong	010-82290900
6	Shenwan Hongyuan Investment Co., Ltd.	Room 2002, 20/F, Dacheng International Building, No. 358 Beijing South Road, Urumqi High-tech Industrial Development Zone (New Zone), Xinjiang	January 21, 2015	RMB1 billion	100%	He Sha	010-88085858
7	Shenwan Hongyuan Securities (Western) Co., Ltd.	Room 2005, 20/F, Dacheng International Building, No. 358 Beijing South Road, Urumqi High-tech Industrial Development Zone (New Zone), Xinjiang	January 20, 2015	RMB4.7 billion	100%	Wang Xianjun	0991-2301633

No.	Name of subsidiary	Registered address	Time of establishment	Registered capital	Share-holding	Principal	Telephone
8	Shenwan Hongyuan Financing Services Co., Ltd.	Room 2004, 20/F, Dacheng International Building, No. 358 Beijing South Road, Urumqi High-tech Industrial Development Zone (New Zone), Xinjiang	January 20, 2015	RMB1 billion	100%	Zhang Jian	021-33389888
9	Shenwan Hongyuan (International) Holdings Limited	Level 19, 28 Hennessy Road, Hong Kong	October 29, 1992	HK$2,253 million	100%	Fang Qingli	852-25098393
10	Shenwan Futures Co., Ltd.	8&10/F, No. 800 Dongfang Road, Shanghai	January 7, 1993	RMB1,119 million	97.2542%	Li Jianzhong	021-50588811
11	Shenyin & Wanguo Alternative Investment Co., Ltd.	Room 201, Building A, No. 1 Qianwan First Road, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen (premises of Shenzhen Qianhai Commercial Secretary Co. Ltd)	May 29, 2013	RMB2 billion	100%	Dai Jiaming	021-61820675
12	Shenyin & Wanguo Investment Co., Ltd.	Room A03, 21/F, Zhangjiang Building, No. 289 Chunxiao Road, China (Shanghai) Pilot Free Trade Zone	April 9, 2009	RMB500 million	100%	Ma Longguan	021-60581188
13	SWS MU Fund Management Co., Ltd.	11/F, No. 100 Zhongshan South Road, Huangpu District, Shanghai	January 15, 2004	RMB150 million	67%	Liu Lang	021-23261188
14	SWS Research Co., Ltd.	3/F, No. 99 Nanjing East Road, Huangpu District, Shanghai	October 16, 1992	RMB20 million	90%	Zhou Haichen	021-23297446

Note: On December 28, 2020, the Company convened the 57th meeting of the fourth session of the Board at which the Proposal Regarding Increase in the Registered Capital of Shenwan Hongyuan Securities Co., Ltd. was considered and approved, the Company was approved to increase the registered capital of Shenwan Hongyuan Securities Co., Ltd. with the its self-owned funds in an amount of RMB5 billion. On March 4, 2021, Shenwan Hongyuan Securities completed relevant procedures for industrial and commercial registration of changes in registered capital and the registered capital of Shenwan Hongyuan Securities was increased from RMB47 billion to RMB52 billion.

(III) Branch company of the Company

No.	Name	Address	Time of establishment	Principal	Telephone
1	Beijing Branch of Shenwan Hongyuan Group Co., Ltd.	Room 601, 6/F, No. 19 Taipingqiao Street, Xicheng District, Beijing	July 10, 2015	Huang Qi	010-88085858

(IV) Number and distribution of branch companies and securities branches of Shenwan Hongyuan Securities Co., Ltd., a subsidiary of the Company

1. Number and distribution of branch companies and securities branches

As of December 31, 2020, Shenwan Hongyuan Securities and its securities subsidiaries have established 42 branch companies; 309 securities branches, located in 134 cities in 21 provinces, 4 municipalities and 4 autonomous regions, including 61 securities branches in Shanghai, 42 securities branches in Xinjiang, and 206 securities branches in other regions.

Province/ municipality/ autonomous region	Number of branch companies	Number of securities branches	Percentage in total number of securities branches	Distribution of securities branches
Shanghai	4	61	19.74%	Shanghai (61)
Xinjiang Uygur Autonomous Region	–	42	13.59%	Urumqi (12), Aksu (1), Altay (1), Artush (1), Bole (1), Changji (2), Fukang (1), Hami (2), Hutubi (1) Kashi (1), Karamay (2), Kuche (1), Korla (1), Kuitun (1), Manas (1), Qitai (1), Shanshan (1), Shihezi (2) , Tacheng (1), Turpan (1), Wusu (1), Wujiaqu (1), Yining (1), Shache (1), Alashankou (1), Horgos (1), Alar (1)
Jiangsu Province	2	31	10.03%	Nanjing (4), Yancheng (10), Nantong (3), Haimen (1), Wuxi (1), Jiangyin (1), Yixing (2), Zhenjiang (1), Jurong (1), Suzhou (1), Yangzhou (2), Jingjiang (1), Taixing (1), Huaian (1), Zhangjiagang (1)
Zhejiang Province	3	30	9.71%	Hangzhou (8), Jinhua (1), Quzhou (1), Tongxiang (3), Jiashan (1), Changshan (1) Huzhou (1), Yiwu (1), Taizhou (3), Shaoxing (1), Pinghu (1), Jiaxing (1), Wenzhou (1), Ruian (1), Yongjia (1), Yueqing (1), Ningbo (3)
Guangdong Province	4	22	7.12%	Guangzhou (7), Zhuhai (1), Foshan (1), Maoming (1), Dongguan (1), Zhongshan (1), Zhanjiang (1), Shenzhen (9)
Sichuan Province	1	15	4.85%	Chengdu (9), Guanghan (1), Meishan (2), Luzhou (2), Ya'an (1)
Hubei Province	1	14	4.53%	Wuhan (7), Huangshi (1), Huanggang Xishui (1), Xiangyang (3), Yichang (2)

Province/ municipality/ autonomous region	Number of branch companies	Number of securities branches	Percentage in total number of securities branches	Distribution of securities branches
Liaoning Province	2	12	3.88%	Shenyang (6), Benxi (1), Anshan (1), Dalian (4)
Guangxi Zhuang Autonomous Region	1	7	2.27%	Nanning (2), Guilin (1), Liuzhou (1), Qinzhou (1), Guigang (1), Hezhou (1)
Jiangxi Province	1	8	2.59%	Nanchang (4), Jiujiang (1), Shangrao (2), Ganzhou (1)
Fujian Province	2	7	2.27%	Fuzhou (2), Quanzhou (1), Putian (1), Shishi (1), Xiamen (2)
Chongqing	1	6	1.94%	Chongqing (6)
Hunan Province	1	7	2.27%	Changsha (4), Xiangtan (1), Zhuzhou (1) Yiyang (1)
Beijing	3	6	1.94%	Beijing (6)
Shandong Province	2	8	2.59%	Jinan (2), Yantai (1), Linyi (1), Zibo (1), Weifang (1), Qingdao (1), Laixi (1)
Tianjin	1	4	1.29%	Tianjin (4)
Anhui Province	1	5	1.62%	Hefei (2), Wuhu (1), Huangshan (1), Huainan (1)
Jilin Province	1	2	0.65%	Changchun (1), Jilin (1)
Henan Province	1	4	1.29%	Zhengzhou (2), Nanyang (1), Xinxiang (1)
Hebei Province	1	3	0.97%	Tangshan (1), Shijiazhuang (1), Baoding (1)
Hainan Province	1	3	0.97%	Haikou (3)
Heilongjiang Province	1	2	0.65%	Harbin (2)
Guizhou Province	1	2	0.65%	Guiyang (1), Zunyi (1)
Shaanxi Province	1	2	0.65%	Xi'an (2)
Gansu Province	1	1	0.32%	Lanzhou (1)
Shanxi Province	1	1	0.32%	Taiyuan (1)
Inner Mongolia Autonomous Region	1	1	0.32%	Hohhot (1)
Ningxia Hui Autonomous Region	1	1	0.32%	Yinchuan (1)
Yunnan Province	1	2	0.65%	Kunming (1), Qujing (1)
Total	**42**	**309**	**100**	**134**

In addition, as of December 31, 2020, among the non-securities subsidiaries of Shenwan Hongyuan Securities, SWS MU had 1 subsidiary in Shanghai, 1 branch company in Beijing and Guangzhou, respectively; Shenwan Futures had 1 subsidiary in Shanghai, 1 branch company in Shanghai, Beijing, Zhejiang, Shenzhen and Jiangsu, respectively and 21 futures branches in 11 provinces and 4 municipalities.

2. Basic information of securities branches

No.	Name	Address	Time of establishment	Principal	Telephone
1	Shanghai Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 2701–10, No. 99 Huangpu Road, Hongkou District, Shanghai	August 18, 2009	Liu Jinfu	021-56558525
2	Jiangsu Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 27 Huaqiao Road, Gulou District, Nanjing	July 10, 2009	Shen Jianfeng	025-84763798
3	Zhejiang Branch of Shenwan Hongyuan Securities Co., Ltd.	18/F, No. 1 Huazhe Plaza, Gongshu District, Hangzhou City	June 29, 2009	Zhu Liyan	0571-85060158
4	Beijing Branch of Shenwan Hongyuan Securities Co., Ltd.	6/F, Block B, 20 Financial Street, Xicheng District, Beijing	July 17, 2009	Yang Guibao	010-82290986
5	Sichuan Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 2 Huaishu Street, Qingyang District, Chengdu, Sichuan Province	June 30, 2009	Tang Jiantao	028-86261519
6	Shenzhen Branch of Shenwan Hongyuan Securities Co., Ltd.	Units A01, A02, A03 and A04, 19/F, No. 4018 Jintian Road, Fuzhong Community, Lianhua Sub-district, Futian District, Shenzhen	July 2, 2009	Xu Yewei	0755-83206086
7	Hubei Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, Building 7, Kaile Garden, No. 46, Lane 5, Wuluo Road, Wuchang District, Wuhan	June 29, 2009	Yang Haitao	027-88850913
8	Liaoning Branch of Shenwan Hongyuan Securities Co., Ltd.	25/F, Block B, Shenyang Fortune Center, No. 53 North Station Road, Shenhe District, Shenyang	June 29, 2009	Gao Yi	024-22536068
9	Guangdong Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 1201–1202, No. 15 Zhujiang West Road, Tianhe District, Guangzhou	February 25, 2014	Che Zuobin	020-38998280
10	Guangxi Branch of Shenwan Hongyuan Securities Co., Ltd.	Shops A201 and A202, Peninsula Mong Kok, No. 56 Yinghua Road, Nanning, Guangxi	November 7, 2013	Qi Shiqun	0771-5772397
11	Chongqing Branch of Shenwan Hongyuan Securities Co., Ltd.	9/F, Chongqing International Business Center, No. 178 Zhonghua Road, Yuzhong District, Chongqing	June 30, 2009	Wang Jun	023-63508779

No.	Name	Address	Time of establishment	Principal	Telephone
12	Tianjin Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 04-05-06, 34/F, Huanqiu Zhidi Plaza, No. 309 Nanjing Road, Nankai District, Tianjin	February 28, 2014	Xu Hongwen	022-87878288
13	Jiangxi Branch of Shenwan Hongyuan Securities Co., Ltd.	4/F, Building B, No. 12 Zhongshan West Road, Xihu District, Nanchang, Jiangxi Province	February 10, 2014	Lu Sanjiang	0791-86210888
14	Hunan Branch of Shenwan Hongyuan Securities Co., Ltd.	7/F, Jinxiu Huatian, No. 210 First Section of Furong Middle Road, Kaifu District, Changsha City, Hunan Province	March 17, 2014	Li Hong	0731-84447412
15	Dalian Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 1–7 and Spring Layer Room 1-1-7, Xinxing International Center, No. 6 Jingwei Street and Rooms 04/05/06/07B, 8/F, Xinxing International Center, No. 20 Yide Street, Zhongshan District, Dalian City, Liaoning Province	January 25, 2013	Xia Juan	0411-82802781
16	Wenzhou Branch of Shenwan Hongyuan Securities Co., Ltd.	1 & 2/F, Blocks 1 & 2, Jinglong Building, No. 543 Chezhan Avenue, Wenzhou City	December 27, 2012	Qu Bingjian	0577-88250798
17	Anhui Branch of Shenwan Hongyuan Securities Co., Ltd.	23/F and East Side of 1/F, Jinding Plaza, No.287 Suixi Road, Luyang District, Hefei City, Anhui Province	October 28, 1997	Zhou Qi	0551-62659082
18	Jilin Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 439, 441, 443, 445, 446, 447, 448, 449, 450, 451, 452, 453, 455 and 457 on the east side of the fourth floor of Building 3, Northeast Asia International Finance Center, No. 10606 Renmin Street, Nanguan District, Changchun City, Jilin Province	June 7, 2006	Zhang Chunjie	0431-88590168

No.	Name	Address	Time of establishment	Principal	Telephone
19	Hainan Branch of Shenwan Hongyuan Securities Co., Ltd.	Huaxin Building, Longkun South Road, Haikou City	August 20, 1993	Niu Jie	0898-66763964
20	Henan Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 2101, 2102, 2103, 2104, 2111, 2112 and 2113, Future Building, No. 69 Future Road, Jinshui District, Zhengzhou City	September 21, 2009	Huang Yuqi	0371-86100888
21	Shanxi Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 1001, 1–2/F, Building 3, No. 125 Qinxian North Street, Xiaodian District, Taiyuan City	September 5, 2001	Guo Wenwen	0351-4191667
22	Shandong Branch of Shenwan Hongyuan Securities Co., Ltd.	7/F, News Building, No. 6 Luoyuan Street, Lixia District, Jinan City	July 18, 2016	Qin Kaiyu	0531-55639877
23	Fujian Branch of Shenwan Hongyuan Securities Co., Ltd.	Office 01, 8/F, Hengli Financial Center, No. 6 Guanfengting Street, Gudong Sub-district, Gulou District, Fuzhou City, Fujian Province	August 2, 2016	Li Ziquan	0591-83321501
24	Xiamen Branch of Shenwan Hongyuan Securities Co., Ltd.	1 & 2/F, Block A, Jinbang Building, No. 842 Xiahe Road, Siming District, Xiamen City	February 3, 1997	Chen Yuxiao	0592-5852516
25	Ningbo Branch of Shenwan Hongyuan Securities Co., Ltd.	14/F, Building 8, No. 1 Yongjiang Avenue, Jiangdong District, Ningbo	May 29, 1997	Xu Wenhua	0574-87317818
26	Heilongjiang Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 93 Zhongshan Road, Xiangfang District, Harbin City	May 23, 1997	Sheng Junming	0451-82261108
27	Qingdao Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms BCDEF, Mezzanine A, No. 2 Shandong Road, Shinan District, Qingdao	March 12, 1994	Zhang Kun	0532-82969949
28	Yunnan Branch of Shenwan Hongyuan Securities Co., Ltd.	13/F, Yinjia Building, No. 55 Xiangyun Street, Kunming City, Yunnan Province	May 26, 2004	Duan Zhihua	0871-63625368
29	Hebei Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 902, 903 and 907, No. 1 Office Building, Wufang Building, No. 88 Xida Street, Chang'an District, Shijiazhuang City, Hebei Province	September 29, 2009	Yue Yinxing	0311-89250988

No.	Name	Address	Time of establishment	Principal	Telephone
30	Guizhou Branch of Shenwan Hongyuan Securities Co., Ltd.	4/F, Minmetals Building, No. 206 Zhonghua North Road, Yunyan District, Guiyang City, Guizhou Province	September 8, 2009	Yan Chen	0851-86869886
31	Inner Mongolia Branch of Shenwan Hongyuan Securities Co., Ltd.	1/F, Rixin Huachen Building, No. 23 Ruyi West Street, Saihan District, Hohhot City, Inner Mongolia Autonomous Region	October 9, 2009	Wang Jing	0471-5275899
32	Shanghai No.2 Branch of Shenwan Hongyuan Securities Co., Ltd.	39/F, No. 989 Changle Road, Xuhui District, Shanghai	September 29, 2013	Zhao Mingwei	021-33388738
33	Beijing Asset Management Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 201-1, 2/F, No. 19 Taipingqiao Street, Xicheng District, Beijing	June 29, 2009	Li Qi	021-33388318
34	Shanghai Pilot Free Trade Zone Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 101, 1/F, No.958 Lujiazui Ring Road, China (Shanghai) Pilot Free Trade Zone	April 22, 2015	Xu Ying	021-68865565
35	Suzhou Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 2001, Block 4, Fenglong City Life Plaza, No. 788 Zhongyuan Road, Suzhou Industrial Park, Suzhou Area, China (Jiangsu) Pilot Free Trade Zone	November 18, 2020	Yu Yu	0512-65279517
36	Shaanxi Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	3/F, No.54, Chang'an North Road, Beilin District, Xi'an City, Shaanxi Province	June 7, 2016	Wang Wei	029-85215989
37	Gansu Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	1/F, No.215 Jinchang Road, Chengguan District, Lanzhou City, Gansu Province	February 25, 2014	Zhang Haiqun	0931-8870422
38	Ningxia Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Business Room 23, Comprehensive Building 25, Golf Garden, Minzu North Street Xingqing District, Yinchuan City	March 2, 2011	Zhang Jiao	0951-5121881

No.	Name	Address	Time of establishment	Principal	Telephone
39	Shanghai Branch of Shenwan Hongyuan Financing Services Co., Ltd.	No. 239 Changshu Road, Xuhui District, Shanghai	March 13, 2015	Jin Bixia	021-33389753
40	Beijing Branch of Shenwan Hongyuan Financing Services Co., Ltd.	Room 5B, 5/F, Block B, No. 19 Taipingqiao Street, Xicheng District, Beijing	June 23, 2009	Xi Rui	010-88085870
41	Shenzhen Branch of Shenwan Hongyuan Financing Services Co., Ltd.	Room 02 of 22B01–02, Anlian Mansion, No. 4018 Jintian Road, Fuzhong Community, Lianhua Sub-district, Futian District, Shenzhen	March 20, 2015	Wang Mingxi	010-88085786
42	Guangzhou Branch of Shenwan Hongyuan Financing Services Co., Ltd.	Room 1206, No. 15 Zhujiang West Road, Tianhe District, Guangzhou City	November 19, 2019	Wu Zhihong	010-88085998

3. Basic information of securities branches

No.	Name	Address	Time of establishment	Principal	Telephone
1	Shanghai Baoshan District Changjiang South Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1–3/F, No.681 Changjiang South Road, Baoshan District, Shanghai	August 11, 1992	Zhao Zuojun	021-66181905
2	Shanghai Baoshan District Tongtai Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 88 Tongtai Road, Baoshan District, Shanghai	November 13, 1992	Lin Fei	021-66797358
3	Shanghai Changning District Shuangliu Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 15 Shuangliu Road, Changning District, Shanghai	August 19, 1992	Zhou Jia	021-33608822
4	Shanghai Changning District Songhong Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, No. 152 Songhong Road, Changning District, Shanghai	December 30, 1992	Wu Xuwei	021-62735711

No.	Name	Address	Time of establishment	Principal	Telephone
5	Shanghai Chongming District Chuanxin Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 1 Chuanxin Street, Chongming District, Shanghai	September 27, 1993	Bi Guoqiang	021-59619905
6	Shanghai Fengxian District Renmin Middle Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No.236 Renmin Middle Road, Nanqiao Town, Fengxian District, Shanghai	May 18, 1994	Wang Huanxian	021-57417029
7	Shanghai Hongkou District Dalian Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 301–304, No. 1 and Room 101, No. 859, Lane 839, Dalian Road, Hongkou District, Shanghai	June 2, 1997	Wang Wei	021-61736108
8	Shanghai Hongkou District Fengzhen Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1&2/F, No. 78 Fengzhen Road, Hongkou District, Shanghai	August 6, 1997	Wang Wenqi	021-65932933
9	Shanghai Hongkou District Huangpu Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 203A, No. 99 Huangpu Road, Hongkou District, Shanghai	December 30, 1992	Bao Hongwei	021-65525901
10	Shanghai Hongkou District Zhongshan North First Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room B3F, No. 1230 Zhongshan North First Road, Hongkou District, Shanghai	December 26, 1994	Zhou Hua	021-65445198
11	Shanghai Huangpu District Fuzhou Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 102A and Rooms 309–310, No. 318 Fuzhou Road, Huangpu District, Shanghai	February 26, 1993	Zhang Lei	021-63217517
12	Shanghai Huangpu District Guangdong Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 729 Guangdong Road, Huangpu District, Shanghai	July 9, 1990	Wang Hua	021-63224288
13	Shanghai Huangpu District Lujiabang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1&2/F, No. 1297 Lujiabang Road, Huangpu District, Shanghai	July 17, 1992	Han Bin	021-63457788

No.	Name	Address	Time of establishment	Principal	Telephone
14	Shanghai Huangpu District Xinchang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 180 Xinchang Road, Huangpu District, Shanghai	February 26, 1993	Xu Tao	021-63272058
15	Shanghai Huangpu District Yandang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 02, 3/F, No. 29 Yandang Road, Huangpu District, Shanghai	June 22, 1992	Ma Jun	021-63863588
16	Shanghai Huangpu District Zhonghua Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 1154–1158 Zhonghua Road, Shanghai	September 25, 1992	Chen Wei	021-63451506
17	Shanghai Huangpu District Zhongshan South First Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 328, 329, 330, 331, 332, 337, 338, 339, 341 and 342, 3/F, Podium, No. 727 Zhongshan South First Road, Huangpu District, Shanghai	December 25, 1992	Gu Xianghui	021-63047861
18	Shanghai Jiading District Tacheng Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2&3/F, No. 399 Tacheng Road, Jiading District, Shanghai	May 10, 1994	Zhou Liang	021-39910033
19	Shanghai Jinshan District Fengyang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 213 Fengyang Road, Fengjing Town, Jinshan District, Shanghai	January 16, 2014	Ying Hongliang	021-67968178
20	Shanghai Jinshan District Lincang Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	4&5/F, No. 180 Lincang Street, Zhujing Town, Jinshan District, Shanghai	December 30, 1992	Chen Jiangwen	021-57320523
21	Shanghai Jinshan District Mengshan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 279 Mengshan Road, Jinshan District, Shanghai	May 18, 1994	Chu Kaihong	021-57943555

No.	Name	Address	Time of establishment	Principal	Telephone
22	Shanghai Jing'an District Changhua Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 33 Changhua Road, Jing'an District, Shanghai	September 22, 1993	Chen Weidong	021-62580049
23	Shanghai Jing'an District Kangding Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, No. 1584 Kangding Road, Jing'an District, Shanghai	July 31, 1997	Yao Wei	021-62308398
24	Shanghai Jing'an District Yuyao Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, No. 169 Yuyao Road, Jing'an District, Shanghai	July 25, 1992	Mao Xiaohong	021-52520439
25	Shanghai Putuo District Jinshajiang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Zone B, Room 501, No. 10 Lane 1628, Jinshajiang Road, Putuo District, Shanghai	April 28, 2001	Lv Bocheng	021-60712583
26	Shanghai Putuo District Lanxi Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No.135 Lanxi Road	August 21, 1992	Chen Bin	021-62862128
27	Shanghai Putuo District Wuning Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 301, No. 507 Wuning Road, Putuo District, Shanghai	September 11, 1992	Yang Zuowei	021-62051378
28	Shanghai Pudong New District Zhangyang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 538 Gushan Road and Room 301, Building 1, No. 2399 Zhangyang Road, China (Shanghai) Pilot Free Trade Zone	April 28, 2001	Jin Tao	021-50110133
29	Shanghai Pudong New District Jinghai Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 500 & 502 Jinghai Road, Huinan Town, Pudong New District	May 18, 1994	Xu Jingfang	021-36680188
30	Shanghai Pudong New District Chuansha Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 4487 Chuansha Road, Pudong New District, Shanghai	December 11, 1996	Guan Xuting	021-68392594

No.	Name	Address	Time of establishment	Principal	Telephone
31	Shanghai Pudong New District Dongfang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 1870 Dongfang Road, Pudong New District, Shanghai	October 12, 1993	Huang Xudong	021-58751371
32	Shanghai Pudong New District Guanyue West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1–3/F, No. 103, Lane 151, Guanyue West Road, Pudong New District, Shanghai	May 29, 1995	Zhu Yubin	021-68113113
33	Shanghai Pudong New District Lijin Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, No. 1365, 1375, 1379 & 1389 Lijin Road, Pudong New District, Shanghai	December 6, 1991	Wu Huapi	021-68759463
34	Shanghai Pudong New District Hunan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 160–178 Beizhong Road and Room 504, No. 959–999 Hunan Road, Pudong New District, Shanghai	June 3, 1997	Zhou Jie	021-58899797
35	Shanghai Pudong New District Miaojing Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 399 Chuansha Miaojing Road, Pudong New District, Shanghai	December 28, 1994	Liu Weimin	021-58988996
36	Shanghai Pudong New District Sanlin Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 329, Sanlin Road, Pudong New District, Shanghai	May 5, 1993	Shen Rong	021-58492299
37	Shanghai Pudong New District Shuiyun Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room A102, No. 308 Shuiyun Road, Nanhui Xincheng Town, Pudong New District, Shanghai	May 30, 2014	Zhao Yunfeng	021-58282662
38	Shanghai Pudong New District Century Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Unit 01, 9/F (Nominal Floor, Actual Floor, 8/F), T1, No. 1788 & 1800, Century Avenue, China (Shanghai) Pilot Free Trade Zone	June 11, 2008	Gu Zhenyu	021-50817033
39	Shanghai Pudong New District Chengshan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, No. 436 Chengshan Road, Pudong New District, Shanghai	March 3, 1993	Lin Zheng	021-68700018

No.	Name	Address	Time of establishment	Principal	Telephone
40	Shanghai Pudong New District Lujiazui Ring Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No.958 Lujiazui Ring Road, China (Shanghai) Pilot Free Trade Zone	June 5, 1997	Ge Wenyu	021-68866071
41	Shanghai Qingpu District Gongyuan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1–2/F, No. 222, Gongyuan Road, Qingpu District, Shanghai	April 5, 1993	You Lifang	021-69713385
42	Shanghai Songjiang District Renmin North Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1&3/F, No. 1505 Renmin North Road, Songjiang District, Shanghai	November 19, 1997	Li Wei	021-57833988
43	Shanghai Xuhui District Longcao Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	3/F, No. 9-6, Lane 1, Longcao Road, Xuhui District, Shanghai	August 28, 1992	Wang Dehua	021-64840388
44	Shanghai Xuhui District Yishan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Units 102–106, No. 719 Yishan Road, Xuhui District, Shanghai	December 24, 1996	Chen Gang	021-64836517
45	Shanghai Xuhui District Shangzhong West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 200 Shangzhong West Road, Xuhui District, Shanghai	April 12, 1995	Miao Qianfang	021-64539753
46	Shanghai Xuhui District Xietu Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1&3/F, No. 2669, Xietu Road, Xuhui District, Shanghai	April 12, 1990	Mei Yijie	021-64276621
47	Shanghai Xuhui District Zhongshan West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, No. 133 Xiaozha Town, Zhongshan West Road, Xuhui District, Shanghai	December 30, 1992	Yu Jiayong	021-64848907
48	Shanghai Yangpu District Huangxing Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 101, 3/F, No. 1810 Huangxing Road, Yangpu District, Shanghai	March 16, 1992	Shen Jia	021-55058668

No.	Name	Address	Time of establishment	Principal	Telephone
49	Shanghai Yangpu District Longchang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	3/F, No. 600 Longchang Road, Yangpu District, Shanghai	November 25, 1992	Pang Bo	021-65663957
50	Shanghai Yangpu District Pingliang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, No. 913, 915, 917, 919, 921, 923, 925, 927 & 929, Pingliang Road, Yangpu District, Shanghai	July 3, 1992	Li Yu	021-65127789
51	Shanghai Jing'an District Fenxi Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 457 Fenxi Road, Jing'an District, Shanghai	May 17, 2001	Shi Xiaoqi	021-56773397
52	Shanghai Jing'an District Haining Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 101, No. 719 and 26/ F, No. 717 Haining Road, Jing'an District, Shanghai	December 30, 1992	Zhang Ming	021-63062065
53	Shanghai Jing'an District Hutai Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 549 Hutai Road, Jing'an District, Shanghai	December 2, 1996	Zhang Zheng	021-56557458
54	Shanghai Jing'an District Luochuan East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 303 Luochuan East Road, Jing'an District, Shanghai	August 18, 1993	Chen Wenbo	021-56385612
55	Shanghai Jing'an District Yanchang Middle Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 597 Yanchang Middle Road, Jing'an District, Shanghai	May 4, 1994	Zhang Wei	021-36030948
56	Shanghai Minhang District Bijiang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 349 Bijiang Road, Minhang District, Shanghai	February 25, 1993	Ni Peiwen	021-64308222
57	Shanghai Minhang District Dongchuan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1&2/F, No. 2380–2384 (Even Number), Dongchuan Road, Minhang District, Shanghai	June 14, 1994	Shen Yiming	021-34095553

No.	Name	Address	Time of establishment	Principal	Telephone
58	Shanghai Minhang District Humin Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 705, No. 7876 Humin Road, Minhang District, Shanghai	May 8, 2014	Guo Hao	021-52211621
59	Shanghai Minhang District Longming Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	3/F, No. 1847 Longming Road, Minhang District, Shanghai	August 17, 1998	Deng Jin	021-54780088
60	Shanghai Minhang District Qishen Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 401A, No. 3088 Qishen Road, Minhang District, Shanghai	June 6, 1994	Lou Jun	021-64787280
61	Shanghai Minhang District Shensong Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 235 Shensong Road, Minhang District, Shanghai	December 4, 1992	Chen Jianming	021-64985122
62	Haimen Xiushan West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 62 Xiushan West Road, Haimen Sub-district, Haimen District, Nantong City, Jiangsu Province	August 11, 2014	Shao Lei	0513-80182108
63	Huaian Shenzhen Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 7-5, Building 7, Dongguan Yixuan Huayuan, Huai'an Economic and Technological Development Zone, Jiangsu Province	August 8, 2012	Zhu Feng	0517-83800707
64	Jingjiang Renmin Middle Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No.136 Renmin Middle Road, Jingjiang City, Jiangsu Province	April 17, 1997	Hua Jiong	0523-84961888
65	Jurong Huarong East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, Kaiyuan Commercial Building, No. 18 Huayang East Road, Huayang Town, Jurong City, Jiangsu Province	June 11, 2001	Xiang Guangsheng	0511-85179261
66	Nanjing Hanzhong Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	10/F, Sinopharm Building, No. 6 Hanzhong Road, Gulou District, Nanjing City, Jiangsu Province	January 21, 2008	Dong Jun	025-85201127

No.	Name	Address	Time of establishment	Principal	Telephone
67	Nanjing Huaqiao Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 29 Huaqiao Road, Gulou District, Nanjing City, Jiangsu Province	November 20, 1997	Jiang Ping	025-84763777
68	Nanjing Pukou Fenghuang Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 16 Fenghuang Street, Jiangpu Sub-district, Pukou District, Nanjing City, Jiangsu Province	May 29, 2001	Wang Guangxin	025-58881133
69	Nanjing Huangshan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 2 Huangshan Road, Jianye District, Nanjing City, Jiangsu Province	November 20, 1997	Li Wei	025-83315198
70	Nantong Gongnong Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	14/F, Huali Building, No. 6 Gongnong Road, Nantong City, Jiangsu Province	April 19, 2012	Chen Jian	0513-51001966
71	Nantong Zhaoxia Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1/F, Aojian Building, No. 467 Zhaoxia Road, Hightech Zone, Nantong City, Jiangsu Province	May 24, 2001	Chen Ying	0513-81691258
72	Nantong Qingnian Middle Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No.43 Qingnian Middle Road, Nantong City, Jiangsu Province	August 4, 1997	Feng Baosheng	0513-89011889
73	Suzhou Wuzhong West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1, 3, 4, 5, 6/F, No. 175 Wuzhong West Road, Wuzhong District, Suzhou City, Jiangsu Province	October 13, 1997	Xu Zhifeng	0512-65282812
74	Taixing Fuqian Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	South Side of Gulou East Road and West Side of Fuqian Street, Taixing City, Jiangsu Province	June 20, 2001	Lu Songnian	0523-87650123
75	Wuxi Qingyang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 24 Qingyang Road, Wuxi City, Jiangsu Province	August 22, 1997	Luo Wenfei	0510-82856988
76	Yancheng Binhai Haibin Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 90 Haibin Avenue, Binhai County, Yancheng City, Jiangsu Province	December 18, 2013	Jiang Guanrong	0515-89118128
77	Yancheng Dafeng Jiankang East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 49 Jiankang East Road, Dafeng District, Yancheng City, Jiangsu Province	January 27, 2014	Wang Hongjun	0515-83365518

No.	Name	Address	Time of establishment	Principal	Telephone
78	Yancheng Dongtai Wanghai East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 32 Wanghai East Road (formerly Xindong East Road), Dongtai City, Jiangsu Province	December 17, 2013	Tang Xinhua	0515-85320562
79	Yancheng Funing Shehe North Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shops 8 & 9, Employee Residential Building of Yancheng, No. 4 Pharmaceutical Factory, Fucheng Shehe East Road, Funing County, Yancheng City, Jiangsu Province	January 28, 2014	Zou Yu	0515-87220562
80	Yancheng Jianhu Huzhong Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 148 Huzhong South Road, Jianhu County, Yancheng City, Jiangsu Province	December 20, 2013	Zhang Tiye	0515-86232366
81	Yancheng Jiefang North Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 100 Jiefang North Road, Yancheng City, Jiangsu Province	April 14, 1998	Gao Fei	0515-88166898
82	Yancheng Jiefang South Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 101 & 201, Building A, Shops in South Zone, Qianjiang Fangzhou Community, Yancheng City, Jiangsu Province	December 24, 1998	Yang Haimin	0515-89080909
83	Yancheng Economic Development Zone Taishan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Building 3, Software Park, Taishan Road, Yancheng Economic and Technological Development Zone, Jiangsu Province	March 14, 2014	Miao Meilin	0515-88310962
84	Yancheng Sheyang Xingyang Plaza Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shops 301–304, Zone C, Xingyang Plaza, Sheyang County, Yancheng City, Jiangsu Province	December 5, 2013	Xu Yang	0515-82627666
85	Yancheng Xiangshui Shuangyuan East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	North Side of Shuangyuan East Road, Xiangshui, Yancheng City, Jiangsu Province	January 28, 2014	Wang Daorong	0515-86885858

No.	Name	Address	Time of establishment	Principal	Telephone
86	Yangzhou Jiangdu Longchuan South Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms S103 & 203, Building 7, Hongyi Qianqiu, No. 299 Longchuan Road, Xiannv Town, Jiangdu District, Yangzhou City, Jiangsu Province	January 8, 2014	Yang Youjing	0514-86710562
87	Yangzhou Yangtze River Middle Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 758, Yangtze River Middle Road, Yangzhou City, Jiangsu Province	August 1, 1997	Jin Xudong	0514-87891800
88	Yixing Huankeyuan Xincheng Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 201, Comprehensive Building, Xincheng Garden, Huankeyuan, Yixing City, Jiangsu Province	January 7, 2014	Chen Wei	0510-87072030
89	Yixing Renmin Middle Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	(5&6/F Asia Hotel) No. 238 Renmin Middle Road, Yicheng Street, Yixing City, Jiangsu Province	April 11, 2008	Li Yuerong	0510-87962161
90	Zhenjiang Jiefang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No.26 Jiefang Road, Zhenjiang City, Jiangsu Province	August 13, 1997	Li Chunnian	0511-85023138
91	Jiangyin Chengjiang Middle Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 7-7 Chengjiang Middle Road, Jiangyin City, Jiangsu Province	October 20, 2017	Zhu Laizhang	0510-86995523
92	Zhangjiagang Renmin East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room F203, No. 11 Renmin East Road (Huachang Oriental Plaza), Yangshe Town, Zhangjiagang City, Jiangsu Province	January 21, 2019	Zhao Guangyu	0512-58912291
93	Hangzhou Miduqiao Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 3 Miduqiao Road, Gongshu District, Hangzhou City, Zhejiang Province	March 14, 1997	Jin Han	0571-85061177
94	Jiaxing Hexing South Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 996 Hexing South Road, Nanhu District, Jiaxing City, Zhejiang Province	December 28, 1996	Liu Guoyong	0573-82056778

No.	Name	Address	Time of establishment	Principal	Telephone
95	Jinhua Bayi North Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 484 Bayi North Street, Wucheng District, Jinhua City, Zhejiang Province	February 26, 1997	Zhan Yingcai	0579-82305900
96	Quzhou Xianxi Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 77 Xianxi Street, Quzhou City, Zhejiang Province	June 30, 1997	Cao Min	0570-3039709
97	Tongxiang Heping Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 95, Heping Road (West), Zhendong New District, Tongxiang City, Zhejiang Province	August 22, 1997	Zhu Hui	0573-88109258
98	Changshan Dingyang North Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, Changshan County Supply and Marketing Complex Building, No. 2–16 Dingyang North Road, Tianma Sub-district, Changshan County, Quzhou City, Zhejiang Province	April 8, 2002	Wang Ying	0570-5031768
99	Jiashan Tiyu South Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 91, 91-1 & 91-2, Tiyu South Road, Weitang Sub-district, Jiashan County, Zhejiang Province	August 6, 2001	Xiong Qihui	0573-84266611
100	Huzhou Fenghuang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	8/F, Comprehensive Building (1), Meidu Huayuan, Huzhou City, Zhejiang Province	May 8, 2014	Xu Dengfeng	0572-2761080
101	Yiwu Huangyuan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1/F, No. 143 Huangyuan Road, Yiwu City, Zhejiang Province	May 23, 2014	Liu Ying	0579-85785098
102	Tongxiang Chongfu Town Chongde West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Ground floor, Hualong Building, No. 158 Chongde West Road, Chongfu Town, Tongxiang City, Zhejiang Province	May 19, 2014	Zhao Shengli	0573-88389388
103	Hangzhou Xueyuan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 301–303, Delixi Building, No. 28 Xueyuan Road, Xihu District, Hangzhou City, Zhejiang Province	July 1, 2003	Yang Hua	0571-87977985

No.	Name	Address	Time of establishment	Principal	Telephone
104	Hangzhou Stadium Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 267 Stadium Road, Hangzhou City, Zhejiang Province	July 1, 2003	Pan Yue	0571-85170782
105	Hangzhou Moganshan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	3/F, Lantian Business Building, No. 18 Moganshan Road, Hangzhou City, Zhejiang Province	July 1, 2003	Lin Zhong	0571-88840686
106	Hangzhou Jinhua Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	South Side of Room 313, Shangpin Business Building, No. 88 Jinhua Road, Hangzhou City, Zhejiang Province	July 1, 2003	Xu Zuo	0571-88010788
107	Lin'an Guangdian Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 19 Guangdian Road, Jincheng Sub-district, Lin'an City, Zhejiang Province	January 10, 2014	Fan Zhicheng	0571-61083130
108	Taizhou Tengda Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room A-913, Room A-915, Room A-917, Room A-919, Room A-921, Room A-923, Room A-925, No. 699, Tengda Road, Yangguan Village, Lubei Sub-district, Luqiao District, Taizhou City, Zhejiang Province	August 25, 2010	Xu Weiyan	0576-82599906
109	Wenling Wanchang West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 159 Wanchang West Road, Taiping Sub-district, Wenling City, Taizhou City, Zhejiang Province	January 7, 2014	Wang Guocheng	0576-86267171
110	Shaoxing Zhongxing South Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Foyer on 1/F and 4/F, No. 285 Zhongxing South Road, Yuecheng District, Shaoxing City, Zhejiang Province	December 7, 2015	Zhong Di	0575-85200978
111	Xiaoshan Jincheng Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No.433 Jincheng Road, Beigan Sub-district, Xiaoshan District, Hangzhou City, Zhejiang Province	May 20, 2016	Ren Huiling	0571-86920157
112	Pinghu Xinhua South Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	West side of the ground floor, No. 229, Xinhua South Road, Danghu Sub-district, Pinghu City, Zhejiang Province	January 27, 2016	Xu Xiaoming	0573-85573669

No.	Name	Address	Time of establishment	Principal	Telephone
113	Fuyang Jiangbin West Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 709, No. 57 Jiangbin West Avenue, Fuchun Sub-district, Fuyang District, Hangzhou City, Zhejiang Province	January 9, 2014	Lou Lantian	0571-58981693
114	Sanmen Zhaohui Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 11-12, 17/F, Chengdong Farmers Apartment, Zhaohui Road, Haiyou Sub-district, Sanmen County, Zhejiang Province	May 6, 2014	Xu Weiyan	0576-82599912
115	Tongxiang Puyuan Town Gongmao Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1/F, Brand Center, Building A, No. 369 Gongmao Avenue, Puyuan Town, Tongxiang City, Zhejiang Province	January 29, 2016	Zhang Hui	0573-80898089
116	Ningbo Zhongxing Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No.138 Zhongxing Road, Yinzhou District, Ningbo City, Zhejiang Province	May 29, 1997	Zhang Wei	0574-87373662
117	Ningbo Daxie Xintuo Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 111 & 410, Block A, Haihua Building, No. 168 Xintuo Road, Daxie Development Zone, Ningbo, Zhejiang Province	February 18, 2014	Chen Guang	0574-87068813
118	Ningbo Youngor Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 383 Youngor Avenue, Shiqi Sub-district, Yinzhou District, Ningbo City, Zhejiang Province	February 4, 2016	Weng Wenbo	0574-87731858
119	Wenzhou Chezhan Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1&2/F, Jinglong Building, No. 543 Chezhan Avenue, Wenzhou City, Zhejiang Province	May 13, 1993	Qu Bingjian	0577-88250798
120	Yongjia Yangguang Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Business Rooms 111 & 112, Wangfu Building, Longqiao Village, Jiangbei Subdistrict, Yongjia County, Zhejiang Province	September 26, 2001	Jin Qinlong	0577-66991186
121	Ruian Luoyang Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shops 2-11 & 2-12, 1/F, Block A, Wanshun Jingyuan, Luoyang Avenue, Anyang Sub-district, Rui'an City, Wenzhou City, Zhejiang Province	August 15, 2001	Lu Youfeng	0577-66882008

No.	Name	Address	Time of establishment	Principal	Telephone
122	Yueqing Bole East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shops on 1/F, No. 54 & 55 and on 2/F, No. 51–55, Yueji Building I, New Century Garden, Chengnan Sub-district, Yueqing City, Zhejiang Province	January 25, 2018	Huang Lingyun	0577-61555700
123	Guangzhou Jiangnan Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 108, Jiangnan Avenue Middle, Haizhu District, Guangzhou City, Guangdong Province	January 13, 1995	Liu Xiangyi	020-84116086
124	Guangzhou Tianhe North Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1–2/F, Jinhai Garden, No. 614 Tianhe North Road, Tianhe District, Guangzhou City, Guangdong Province	June 25, 1993	Zhang Junjie	020-38735133
125	Guangzhou Dongfeng East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Units 05B, 06 and 07, 08/F, Lifeng Center, No. 761 Dongfeng East Road, Yuexiu District, Guangzhou City, Guangdong Province	March 11, 2008	Zhang Sumei	020-87383009
126	Zhuhai Yuehai East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms A & B, Office Buildings, 11 & 12/F, Phase Two of Yuehai Hotel, No. 1145 Yuehai East Road, Gongbei, Zhuhai City, Guangdong Province	September 7, 1993	Wang Weiping	0756-8873748
127	Guangzhou Xingang West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Exhibition Hall A3016, Zone B-3, No. 82 Xingang West Road, Haizhu District, Guangzhou City, Guangdong Province	January 28, 2014	Zhang Dekun	020-89989880
128	Guangzhou Panyu Yingbin Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 601, No. 282 Yingbin Road, Dashi Street, Panyu District, Guangzhou City, Guangdong Province	March 27, 2014	Chen Peng	020-34891001
129	Guangzhou Zhongshan Avenue Middle Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 1313–16, No. 439 Zhongshan Avenue Middle Road, Tianhe District, Guangzhou City, Guangdong Province	January 28, 2014	Xu Huan	020-38887165

No.	Name	Address	Time of establishment	Principal	Telephone
130	Dongguan Hongfu Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	01, Room 2601, Unit 2, Building 4, No. 200 Hongfu Road, Nancheng Sub-district, Dongguan City, Guangdong Province	May 13, 2014	Liang Wenhui	0769-22621022
131	Foshan Jihua 5th Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room P6, Ground Floor, No. 23 Jihua 5th Road, Chancheng District, Foshan City, Guangdong Province	April 28, 2001	Zhou Huamei	0757-83036503
132	Maoming Yingbin Third Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 310–316, 3/F, Building 3 & 4, Dayuan Huahai Yaju, No. 126 Yingbin 3rd Road, Maoming City, Guangdong Province	March 16, 2011	Wang Dongwei	0668-3916978
133	Zhongshan City Zhongshan Fourth Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, Building 86, Shunjing Garden, East District, Zhongshan City, Guangdong Province	April 9, 1998	Xu Ying	0760-88888086
134	Zhanjiang Renmin Avenue Middle Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 1802–1805, Qixiang Building, No. 45 Renmin Avenue Middle, Zhanjiang City, Guangdong Province	May 7, 2012	Yang Lirong	0759-3388877
135	Guangzhou Zengcheng Xintang Fenghuang North Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 214 & 215, No. 228 Fenghuang North Heng Road, Yongning Street, Zengcheng District, Guangzhou City, Guangdong Province	December 26, 2018	Wang Yanchao	020-32164170
136	Shenzhen Jintian Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	RoomsA01-A02-B01, 22/F, Anlian Mansion, No. 4018 Jintian Road, Futian District, Shenzhen City, Guangdong Province	May 31, 1995	Luo Xiaoling	0755-88285733
137	Shenzhen Huaqiang North Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 2801–2805, 28/F, Block B, Changxing Building, Huaqiang North Road, Futian District, Shenzhen City, Guangdong Province	June 16, 1995	Luo Ming	0755-83261445

No.	Name	Address	Time of establishment	Principal	Telephone
138	Shenzhen Shangbu Middle Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	8 & 9/F, Shenkan Building, No. 1043, Shangbu Middle Road, Futian District, Shenzhen City, Guangdong Province	June 13, 1995	Gui Ruiyi	0755-23895317
139	Shenzhen Fuhua First Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	21/F, Block A, Hangtian Building, No. 4019 Shennan Avenue, Futian Sub-district, Futian District, Shenzhen City, Guangdong Province	January 31, 2008	Guan Fang	0755-82934897
140	Shenzhen Caitian Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room A1701, Xinhao Yidu, No. 7018 Caitian Road, Lianhua First Village Community, Huafu Subdistrict, Futian District, Shenzhen City, Guangdong Province	February 27, 1995	Wang Bo	0755-83642163
141	Shenzhen Shennan Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 2308 & 2309, Fuchun Oriental Building, No. 7006 Shennan Avenue, Futian District, Shenzhen City, Guangdong Province	October 22, 2013	Zheng Xiaoju	0755-83755953
142	Shenzhen Binhai Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 2203, 22/F, BroadenGate Software Building, No. 19 Haitian Second Road, Binhai Community, Yuehai Sub-district, Nanshan District, Shenzhen City, Guangdong Province	January 9, 2020	Liu Danying	0755-26914886
143	Shenzhen Zhongxin Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 1309-1310, Tongfang Center Building at the Intersection of Zhongxin Road and Haoxiang Road, Xiner Community, Xinqiao Sub-district, Bao'an District, Shenzhen City, Guangdong Province	January 2, 2020	Gan Bin	0755-32936683
144	Shenzhen Gaoxin South Fifth Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 102, Jinzheng Technology Building, No. 9 Gaoxin South Fifth Avenue, Gaoxin District, Yuehai Sub-district, Nanshan District, Shenzhen City, Guangdong Province	October 31, 2018	Sheng Bin	0755-33004818

No.	Name	Address	Time of establishment	Principal	Telephone
145	Chengdu North First Ring Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 4, North Third Section of First Ring Road, Jinniu District, Chengdu City, Sichuan Province	November 16, 1995	Qian Hongbing	028-86421557
146	Chengdu Chongzhou City Shuzhou North Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 120-4, Shuzhou North Road, Chongyang Sub- district, Chongzhou City, Sichuan Province	September 21, 2001	Hu Jun	028-82205070
147	Chengdu Huaishu Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Building 3, Tailong Building, No. 2 Huaishu Street, Chengdu City, Sichuan Province	April 6, 1999	Yao Xin	028-86277125
148	Chengdu South Railway Station East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 1, 2/F, Building 2, No. 5 South Railway Station East Road, Wuhou District, Chengdu City, Sichuan Province	August 11, 1997	Cai Huawei	028-82936866
149	Chengdu Shujin Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 701, 7/F, Building 2, No. 1 Shujin Road, Qingyang District, Chengdu City, Sichuan Province	December 3, 2007	Tong Xiaoqian	028-61359310
150	Chengdu Dongda Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 802B, 8/F, Mingyu Financial Plaza, Unit 1, Building 1, No. 35 Zidong Building Section of Dongda Street, Jinjiang District, Chengdu City, Sichuan Province	January 06, 2014	Liang Jing	028-65187666
151	Chengdu Shuangliu Yingchun Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 2, 2/F, Building 3, No.200 Third Section of Yingchun Road, Dongsheng Sub-district, Shuangliu District, Chengdu City, Sichuan Province	April 20, 2001	Zhou Yong	028-85733248
152	Chengdu Wenjiang Nanjiang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 228-201 Nanjiang Road, Wenjiang District, Chengdu City, Sichuan Province	November 1, 2001	Yang Gang	028-82710718
153	Chengdu West First Ring Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, Jiayu Building, Jule Road, West First Section of First Ring Road, Wuhou District, Chengdu City, Sichuan Province	May 13, 1997	Tan Kai	028-85089136

No.	Name	Address	Time of establishment	Principal	Telephone
154	Guanghan Zhongshan Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	5/F, Commercial Building, No. 8 North First Section, Zhongshan Avenue, Guanghan City, Sichuan Province	August 30, 2010	Li Bo	0838-5357710
155	Luzhou Guangfeng Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 4 Guangfeng Road, Jiangyang District, Luzhou City, Sichuan Province	April 18, 1997	Wang Xu	0830-2396588
156	Luzhou Jiucheng Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 401, 4/F, Building 18, No. 9, First Section of Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province	September 12, 2001	Feng Xiang	0830-2519965
157	Meishan Hubin Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Zone C, Attached Building of Yuanjing Building, Hubin Road, Dongpo District, Meishan City, Sichuan Province	August 21, 2000	Zhang Fangjun	028-38102731
158	Meishan Pengshan District Ziwei Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 37 Ziwei Road, Pengshan District, Meishan City, Sichuan Province	September 26, 2001	Li Xiaoxia	028-37633098
159	Ya'an Panda Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 4, 4/F, Block 2, No. 383 Panda Avenue, Yucheng District, Ya'an City, Sichuan Province	May 15, 2014	Jiang Yunli	0835-5181991
160	Wuhan Zhongshan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	5/F, Phoenix International Building, No. 272 Zhongshan Road, Wuchang District, Wuhan City, Hubei Province	April 3, 1997	Zhao Qiancheng	027-88855433
161	Wuhan Xinhua Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 901–903, No.468 Xinhua Road, Jianghan District, Wuhan City, Hubei Province	April 3, 1997	Yu Shimou	027-83618977
162	Wuhan Sanyang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 8, Sanyang Road, Siwei Street, Jiang'an District, Wuhan City, Hubei Province	February 14, 2001	Zhou Fang	027-83220956

No.	Name	Address	Time of establishment	Principal	Telephone
163	Wuhan Jing'an Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shop 7 on 1/F and Shops 6&7 on 2/F, Unit 1, Building 1, Shangwen Jing'an Shangcheng (Renhe Jiayuan), No. 8 Jing'an Road, Wuchang District, Wuhan City, Hubei Province	February 14, 2001	Feng Qiuxiang	027-87776138
164	Wuhan Zhongbei Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 1, 4/F, Shiji Building, Zone E, Shiji Caicheng, No. 233 (formerly No. 151) Zhongbei Road, Wuchang District, Wuhan City, Hubei Province	April 16, 2002	Liu Chao	027-88231137
165	Wuhan Wudayuan First Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 3012, 3/F, Changye Building, Wuhan University Science and Technology Park, Donghu New Technology Development Zone, Wuhan City, Hubei Province	February 12, 2014	Wu Li	027-87981127
166	Wuhan Dongfeng Third Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 608, 6/F, Building D, Phase II, Donghe Center, Wuhan Economic and Technological Development Zone, Hubei Province	January 3, 2014	Yin Juan	027-84525099
167	Huangshi Hubin Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 7, 8, 9, 10 & 16, Building 1, No. 97 Hubin Avenue, Huangshi City, Hubei Province	May 19, 1997	Hong Weiguo	0714-6233087
168	Huanggang Xishiu Liwen Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	(2/F of ICBC) No. 269 Liwen Avenue, Qingquan Town, Xishui County, Hubei Province	December 6, 2001	Zhong Ping	0713-4226194
169	Xiangyang Yanjiang Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 36 Yanjiang Avenue, Fancheng District, Xiangyang City, Hubei Province	December 12, 1997	Jiang Wei	0710-3480967
170	Xiangyang Yongan South Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 5–104, Yuehuali, Minfa World Town Phase II, Yongan South Road, Xiangzhou District, Xiangyang City, Hubei Province	March 26, 2001	Li Wenjie	0710-2818255

No.	Name	Address	Time of establishment	Principal	Telephone
171	Yicheng Zhonghua Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 101/102, Building 24, No. 77 Zhonghua Avenue, Yicheng City, Xiangyang City, Hubei Province	April 9, 2001	Li Yu	0710-4253207
172	Yichang Xiling First Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	12/F, Junyao International Plaza, No. 51 Xiling First Road, Xiling District, Yichang City, Hubei Province	December 5, 1997	Cai Wei	0717-6747898
173	Yichang Yixing Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 44 Yixing Avenue, Yiling District, Yichang City, Hubei Province	February 19, 2001	Zhang Li	0717-7200266
174	Shenyang Zhongshan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 193 Zhongshan Road, Heping District, Shenyang City, Liaoning Province	May 11, 1993	Yan Weizhong	024-22869573
175	Shenyang Ningshan Middle Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	(Door 2) No. 42, Ningshan Middle Road, Huanggu District, Shenyang City, Liaoning Province	April 17, 1997	Ning Xia	024-86223498
176	Shenyang Baishan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 16 Baishan Road, Yuhong District, Shenyang City, Liaoning Province	October 26, 2001	Shui Bin	024-86510899
177	Benxi Jiefang North Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Building 14, Jiefang North Road, Mingshan District, Benxi City, Liaoning Province	September 19, 2001	Men Xiaobing	024-42804248
178	Shenyang Daxi Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 46 Daxi Road, Shenhe District, Shenyang City, Liaoning Province	November 17, 2000	Wang Botong	024-22824453
179	Anshan Xinhua Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 20–S10, Xinhua Street, Tiedong District, Anshan City, Liaoning Province	April 12, 2012	Yu Zilong	0412-7335736
180	Shenyang Taiyuan South Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 601, 602, 603 & 604, 6/F, No. 180 Taiyuan South Street, Heping District, Shenyang City, Liaoning Province	January 23, 2014	Tang Shuang	024-23292833

No.	Name	Address	Time of establishment	Principal	Telephone
181	Shenyang Xinlong Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	(3-7-2) & (3-7-3), No.1–33 Xinlong Street, Hunnan District, Shenyang City, Liaoning Province	January 26, 2014	Zhao Yunfeng	024-23230562
182	Dalian Wuhan Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 36 Wuhan Street, Zhongshan District, Dalian City, Liaoning Province	March 24, 1994	Zhu Xiaojie	0411-82822876
183	Dalian Zhongshan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Units 5–9, 11/F, A1 Office Building, AVIC International Plaza Project, No.468 Zhongshan Road, Shahekou District, Dalian City, Liaoning Province	March 17, 1993	Li Xiongwei	0411-82825257
184	Dalian Jinma Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No.188-1 Jinma Road, Dalian Economic and Technological Development Zone, Liaoning Province	September 12, 2001	Li Dongri	0411-87623223
185	Dalian Jinzhou Dalin Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1–2/F, No.260A-4, Stalin Road, Guangming Sub-district, Jinzhou District, Dalian City, Liaoning Province	January 3, 2014	Song Jingwei	0411-39337989
186	Nanning Changhu Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	3/F, Haotian Plaza, No. 24 Changhu Road, Qingxiu District, Nanning City, Guangxi Province	September 1, 1997	Li Mengran	0771-5880766
187	Nanning Yinghua Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shops A201, A202, A203, A205, A206, A207, B201, B202 & B203, No. 56 Yinghua Road, Qingxiu District, Nanning City, Guangxi Province	June 17, 2003	Li Hongjiang	0771-5309229
188	Guilin Lijiang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Offices 7-1, 7-2, 7-3, 7-4, 7-5, 7-6, 7-7 and 7-8, Building 4, Zhongruan Modern Town, No. 28 Lijiang Road, Qixing District, Guilin City, Guangxi Province	September 5, 2001	Zheng Nianning	0773-8985071
189	Liuzhou Donghuan Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 2-1, Building 2, Wode Mengxiang, No. 258 Donghuan Avenue, Liuzhou City, Guangxi Province	August 30, 2001	Wei Yi	0772-2807688

No.	Name	Address	Time of establishment	Principal	Telephone
190	Qinzhou Yongfu West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 28 Yongfu West Street, Qinzhou City, Guangxi Province	January 10, 2014	Gu Fanding	0777-2880562
191	Guigang Zhongshan North Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	3/F, Anju Commercial Building, No. 19 Zhongshan North Road, Guigang City, Guangxi Province	April 28, 2014	Mo Jiangli	0775-5963688
192	Hezhou Jiangbei Middle Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 602, Jingcheng Building, No. 200 Jiangbei Middle Road, Hezhou City, Guangxi Province	February 18, 2014	Wang Chengyi	0774-5201292
193	Nanchang Zhongshan West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 10 (Part of 1st floor of Jiangxi Chamber of Commerce Building) & 2–4/F, Building B, No. 12 Zhongshan West Road, Xihu District, Nanchang City, Jiangxi Province	August 10, 1994	Yin Zhongming	0791-86211576
194	Nanchang Nanjing East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 165, Nanjing East Road, Qingshanhu District, Nanchang City, Jiangxi Province	August 10, 2002	He Li	0791-88500198
195	Nanchang County Chenghu North Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shop 301, Building 13, Tianyi Commercial Street, No. 588 Chenghu North Avenue, Liantang Town, Nanchang County, Nanchang City, Jiangxi Province	December 3, 2001	Liu Mingbo	0791-85736520
196	Nanchang Xinjiang Changmeng Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 30, 32 & 36 Changmai South Road, Changleng Town, Xinjian County, Nanchang City, Jiangxi Province	May 10, 2012	Tu Yunliang	0791-83531166
197	Jiujiang Jiurui Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	4/F, RT-Mart, No. 53 Jiurui Avenue, Jiujiang Economic and Technological Development Zone, Jiangxi Province	March 10, 2000	Cai Jie	0792-8118499
198	Shangrao Wusan Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 23 Wusan Avenue, Xinzhou District, Shangrao City, Jiangxi Province	November 21, 1997	Xie Fei	0793-8218616

No.	Name	Address	Time of establishment	Principal	Telephone
199	Shangrao Wannian Liulingbei Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 8-10, 3/F, M Zone, Fortune Pedestrian Street, Liulingbei Avenue, Chenying Town, Wannian County, Shangrao City, Jiangxi Province	December 11, 2000	Hu Yasong	0793-3857858
200	Ganzhou Changzheng Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shops 1-13 & 2-13, 9/F, Tianji Huating, No. 2 Changzheng Avenue, Zhanggong District, Ganzhou City, Jiangxi Province	September 7, 2020	Gong Chunfen	0797-5886060
201	Fuzhou Guping Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 192, Guping Road, Fuzhou City, Fujian Province	April 11, 1997	Chen Ming	0591-87811342
202	Fuzhou Gutian Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Units 11–13, 25/F, Fusheng Fortune Center, No. 60 Gutian Road, Gulou District, Fuzhou City, Fujian Province	May 14, 2014	Xiao Liang	0591-38132771
203	Putian Dongyuan West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 1159, 1163&1167, Dongyuan West Road, Longqiao Sub-district, Chengxiang District, Putian City, Fujian Province	April 24, 2014	Guo Guimeng	0594-2633299
204	Quanzhou Tianan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	F02–04, Shop 4, Fengsheng Commercial and Residential Building, Tian'an Road, Fengze District, Quanzhou City, Fujian Province	October 23, 2012	Chen Anning	0595-22255198
205	Shishi Shilong Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shops 112–113, Building 6, Baide Huifeng Plaza, North Zone of Clothing Mall, Lingxiu Town, Shishi City, Quanzhou City, Fujian Province	May 30, 2014	Shi Yanghao	0595-22353188
206	Xiamen Lujiang Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Units 02-04, 19/F, No. 100 Lujiang Avenue, Siming District, Xiamen City, Fujian Province	January 3, 2008	Lin Chunxiang	0592-2969930

No.	Name	Address	Time of establishment	Principal	Telephone
207	Xiamen Lianqian East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Unit C, No. 17 Shopping Mall, No. 920–928 Lianqian East Road, Siming District, Xiamen City, Fujian Province	January 14, 2014	Yang Ying	0592-6301068
208	Chongqing Zhongshan First Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, Kangjian Building, No. 181 Zhongshan First Road, Yuzhong District, Chongqing	June 5, 1997	Jia Xiaoxin	023-63508733
209	Chongqing Xiaoxin Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	4/F, Hengxin Building, No. 85 Xiaoxin Street, Shapingba District, Chongqing	June 5, 1997	Luo Yu	023-65479080
210	Chongqing Yangjiaping Main Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	5/F, No. 11 Yangjiaping Main Street, Jiulongpo District, Chongqing	September 15, 1997	Liu Ping	023-68400341
211	Chongqing Jinkai Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 1106, Jinkai Avenue, North New District, Chongqing	March 17, 2011	Hua Chengzhong	023-88199601
212	Chongqing Huangshan Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	5/F, Building 1, No. 67 Middle Section of Huangshan Avenue, Yubei District, Chongqing	November 14, 2007	Shi Honglin	023-65862279
213	Chongqing Fuling Zhongshan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 4-7 & 4-8, Building C, Zone B, No. 6 (Jinke World Corridor) Zhongshan Road, Fuling District, Chongqing	May 9, 2014	Zhou Li	023-72709891
214	Changsha Wuyi Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 2, 11/F, Taizhen Building, No. 447 Wuyi Avenue, Furong District, Changsha City, Hunan Province	May 7, 1997	Li Pengcheng	0731-84455387
215	Changsha Shaoshan North Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, Water Conservancy Department Building, No. 370 Shaoshan North Road, Yuhua District, Changsha City, Hunan Province	December 25, 2007	Mao Huajun	0731-82259560

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216	Changsha Furong Middle Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 2318, Building C, D & H, Phase II of Tianjian Furong Shengshi Garden, No. 88 First Section of Furong Middle Road, Kaifu District, Changsha City, Hunan Province	March 1, 2001	Peng Man	0731-85113387
217	Zhuzhou Zhujiang North Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	3/F, Building B, Park Avenue, North of Yandi Square, Tianyuan District, Zhuzhou City, Hunan Province	February 28, 2011	Huang Zhen	0731-22727772
218	Xiangtan Jiantan North Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 010113–010120, Unit 1, Baishi Commercial Plaza, No. 8 Jianshe North Road, Yuhu Road Subdistrict, Yuhu District, Xiangtan City, Hunan Province	July 11, 2012	Wang Lei	0731-55583205
219	Yiyang Kangfu South Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 528, 5/F, Building 6, Fuzhongfu International Town, Kangfu South Road, Yiyang City, Hunan Province	December 20, 2013	Chen Wei	0737-2223865
220	Changsha Xiangjiang New Area Chazishan East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Zone A, 7/F, Pufa Finance Building, No. 102 Chazishan East Road, Guanshaling Sub-district, Yuelu District, Changsha City, Hunan Province	January 10, 2019	Huang Fang	0731-82886677
221	Beijing Jinsong Jiuqu Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 909, Jinsong Jiuqu, Chaoyang District, Beijing	September 11, 1995	Zhu Xueyan	010-67736286
222	Beijing Anding Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 39 Anding Road, Chaoyang District, Beijing	April 18, 1994	Zhang Manyi	010-64448210
223	Beijing East Fourth Ring Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 2503 in Room 2501, No. 56 East Fourth Ring Middle Road, Chaoyang District, Beijing	March 13, 2008	Wei Qingli	010-65505167
224	Beijing Fengbei Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, Building 28, Wangyuan Dongli, Fengtai District, Beijing	November 11, 2010	Gao Yanjuan	010-63898151

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225	Beijing Financial Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 102, 1/F, No. 19 Taipingqiao Street, Xicheng District, Beijing	December 5, 2007	Li Jingtan	010-88085830
226	Beijing Zizhuyuan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 01, Block A, 3/F, No. 116 Zizhuyuan Road, Haidian District, Beijing	November 29, 2001	Sun Qian	010-88511208
227	Yantai Nanda Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 16A01/02/03/05/06/07/08, No. 11 Nanda Street, Zhifu District, Yantai City, Shandong Province	November 14, 2007	Zhang Jun	0535-3390668
228	Jinan Lishan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 104, No.177 Lishan Road, Lixia District, Jinan City, Shandong Province	November 23, 2010	Weng Ruiheng	0531-55512866
229	Jinan Luoyuan Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	7/F, Shandong News Building, No. 6 Luoyuan Street, Lixia District, Jinan City, Shandong Province	August 15, 2012	Zhou Juan	0531-55639879
230	Linyi Jinqueshan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	4/F, Block B, Weite Tianyuan Plaza, No. 1 Jinqueshan Road, Lanshan District, Linyi City, Shandong Province	September 30, 2013	Xu Yun	0539-7701118
231	Zibo Huaguang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 1004, 10/F, Phase 2 of Zhongfang Building, No. 58 Huaguang Road, Zhangdian District, Zibo City, Shandong Province	March 9, 2018	Li Zhe	0533-6053006
232	Weifang Shengli East Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 111-01, 1/F, Building 3, Central Business District, No. 4778, Shengli East Street, Kuiwen District, Weifang City, Shandong Province	August 25, 2020	Liu Tao	0536-8898677
233	Qingdao Haier Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 83 Haier Road, Laoshan District, Qingdao City, Shandong Province	August 30, 2013	Yang Xiaoyan	0532-85807333
234	Laixi Yantai Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 95 Yantai Road, Laixi City, Qingdao City, Shandong Province	March 26, 2001	Ma Zhijin	0532-88473456

No.	Name	Address	Time of establishment	Principal	Telephone
235	Tianjin Shiyijing Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	(Rooms 401–416), No. 68 Shiyijing Road, Hedong District, Tianjin	March 31, 1997	Wang Xinnan	022-24011162
236	Tianjin Wujiayao Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shop 202, Senmiao Apartment, No. 13 Wujiayao Street, Hexi District, Tianjin	May 4, 1997	Ma Lin	022-23115335
237	Tianjin Binhai New Area Huanghai Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 101-1, Block A, Building 4, No. 18 Huanghai Road, Tianjin Development Zone	June 10, 2008	Xu Ping	022-59859917
238	Tianjin Huatian Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	House 1128, No. 2 Huatian Road, Huayuan Industrial Zone, Tianjin	December 3, 2013	Yang Guangyu	022-58660665
239	Huainan Dongshan Middle Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	3/F (Ground) 2/F, Podium, Caijin Building, Huainan City, No. 8 Dongshan Middle Road, Tianjiaan District, Huainan City, Anhui Province	April 13, 2018	Wang Bo	0554-2691212
240	Hefei Wangjiang West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 105, Wangjiang Comprehensive Building, No. 1 Wangjiang West Road, Shushan District, Hefei City, Anhui Province	June 27, 2017	Fan Yuchun	0551-66026556
241	Wuhu Wenhua Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No.29 Wenhua Road, Jinghu District, Wuhu City, Anhui Province	March 21, 2011	Liu Yang	0553-3800166
242	Huangshan Qianyuan South Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 42-8 Qianyuan South Road, Tunxi District, Huangshan City, Anhui Province	April 29, 2014	Sun Baiyu	0559-2532288
243	Hefei Ma'anshan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 1701, Century Sunshine Building, Ma'anshan Road, Baohe District, Hefei City, Anhui Province	September 6, 2011	Wang Hongpeng	0551-65288519

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244	Jilin City Jilin Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 60, Jilin Street, Jilin High-tech Industrial Development Zone, Jilin City, Jilin Province	June 11, 2001	Yu Jing	0432-65118118
245	Changchun Xi'an Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	South Side of 3/F, Block A, Jifa Plaza, No. 58 Xi'an Road, Chaoyang District, Changchun City, Jilin Province	December 23, 2013	Qiu Yuxi	0431-81815799
246	Zhengzhou Huayuan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No.53 Huayuan Road, Jinshui District, Zhengzhou City, Henan Province	October 23, 2000	Yang Lin	0371-55623789
247	Zhengji Guoji Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 5, 2–3/F, Windsor Castle Building 1, No. 168 Guoji Road, Jinshui District, Zhengzhou City, Henan Province	April 1, 2016	Chen Wei	0371-61315815
248	Nanyang Xinhua West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No.159 Xinhua West Road, Wolong District, Nanyang City, Henan Province	June 26, 2014	Li Yongliang	0377-61698897
249	Xinxiang Pingyuan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shop 103, 1–2/F, Building B, Huixiang Mingdi, No. 489 Pingyuan Road, Hongqi District, Xinxiang City, Henan Province	June 4, 2018	Zhang Lei	0373-5081618
250	Shijiazhuang Yuhua East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 207, Block A, Zhongtie Business Plaza, No. 56 Yuhua East Road, Qiaoxi District, Shijiazhuang City, Hebei Province	January 13, 2014	Li Zhenzi	0311-66772089
251	Tangshan Guangming Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1–2/F, Commercial Building, No. 1810 Lugang District, Guangming Road, Lubei District, Tangshan City, Hebei Province	November 29, 2007	Fan Shibo	0315-2392085
252	Baoding Yuhua West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 25 Yuhua West Road, Baoding City, Hebei Province	October 17, 2013	Li Tao	0312-2088711
253	Haikou Hongchenghu Road, Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	3/F, Shidai Jiayuan, No. 79 South Side of Hongchenghu Road, Qiongshan District, Haikou City, Hainan Province	April 8, 2002	Liu Shiwen	0898-65877861

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254	Haikou Guoxing Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 102-2, 1/F, Huaxia Bank Building, No. 61 Guoxing Avenue, Meilan District, Haikou City, Hainan Province	April 1, 2016	Lin Zhong	0898-66521230
255	Haikou Longkun North Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1&2/F, Hongyuan Securities Building, No. 30 Longkun North Road, Haikou City, Hainan Province	June 5, 1996	Deng Xian	0898-66513968
256	Harbin Minjiang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 2, 4/F, Unit 1, Longyue Building at the Southeast Corner of Hongqi Street and Minjiang Road, Nangang Concentration Area, Harbin Economic Development Zone, Heilongjiang Province	October 14, 2011	Wu Xinming	0451-51978033
257	Harbin Changjiang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	3&4/F, No. 10, Building E, Jinyuan Garden, No. 197 Changjiang Road, Nangang Concentration Area, Harbin Economic Development Zone, Heilongjiang Province	September 11, 1997	Li Bin	0451-88378332
258	Guiyang Jinyang North Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 10 & 11, 4/F, (1) North Unit, Qilong Guizhou Tower (formerly Xineng Zhejiang Building) at the Intersection of Jinyang Avenue and Liyuan Road, Guanshanhu District, Guiyang City, Guizhou Province	October 21, 2013	Zhang Juanjuan	0851-85973081
259	Zunyi Nanjing Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 1&2, 1/F, Yangguang Lvdao Garden, Nanjing Road, Huichuan District, Zunyi City, Guizhou Province	June 12, 2014	Chen Bin	0851-27569858
260	Taiyuan Changfeng Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	13/F, Junwei Fortune Center, Changfeng Street, Xiaodian District, Taiyuan City, Shanxi Province	February 26, 2014	Wang Junsheng	0351-5608800

No.	Name	Address	Time of establishment	Principal	Telephone
261	Hohhot Ruyihe Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No.502, Block B, Wulan Fortune Building, No.56 Ruyihe Street, Saihan District, Hohhot City, Inner Mongolia Autonomous Region	December 10, 2013	Wang Gang	0471-5275898
262	Kunming Dongfeng East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	4/F, Building D, Phase II of Huidu International, No. 131 Baita Road, Panlong District, Kunming City, Yunnan Province	October 12, 2012	Huang Jun	0871-63125817
263	Qujing Qilin West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Baiyuan Commercial Building, No. 52 Qilin West Road, Qujing City, Yunnan Province	June 4, 2018	Deng Rui	0874-3181133
264	Xi'an Keji Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Room 12908, 29/F, Hi-Tech International Business Center, No. 33 Keji Road, Hi-Tech District, Xi'an City, Shaanxi Province	January 27, 2014	Si Weiping	029-68250008
265	Xi'an Chang'an North Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No.54, Chang'an North Road, Beilin District, Xi'an City, Shaanxi Province	February 21, 1997	Cheng Lei	029-85224299
266	Lanzhou Xijin West Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Room 3316, Lanzhou Center, No. 16 Xijin West Road, Qilihe District, Lanzhou City, Gansu Province	January 9, 2014	Huang Wei	0931-8732375
267	Yinchuan Fenghuang North Street Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Commercial Building 1, Jintai Garden, No. 580 Fenghuang North Street, Xingqing District, Yinchuan City, Ningxia	April 16, 2012	Chen Meng	0951-5686777
268	Urumqi Renmin Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	4/F, Urumqi Building, No. 2 Renmin Road, Tianshan District, Urumqi City, Xinjiang	October 25, 2001	Yin Xiaodong	0991-8808200
269	Urumqi Beijing Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	9/F, Block B, Zhonghe Building, No. 467 Beijing South Road, High-tech Industrial Development Zone (Xinshi District), Urumqi City, Xinjiang	May 12, 2005	Ma Jimin	0991-3817068

No.	Name	Address	Time of establishment	Principal	Telephone
270	Urumqi Beijing South Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No.731 Beijing South Road, Xinshi District, Urumqi City, Xinjiang	November 14, 2007	Zhu Jincheng	0991-7671587
271	Urumqi Zhongshan Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Room 1107, 11/F, Tiancheng Building, No. 222 Jiefang North Road, Tianshan District, Urumqi City, Xinjiang	November 14, 2007	Zhou Qiheng	0991-2332055
272	Urumqi Yangzijiang Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 16 Yangzijiang Road, Shayibake District, Urumqi City, Xinjiang	August 6, 2008	Hou Caixia	0991-5857539
273	Urumqi Jiefang South Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 18 Jiefang South Road, Tianshan District, Urumqi City, Xinjiang	November 14, 2007	Liao Ying	0991-8870764
274	Urumqi Wenyi Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 233 Wenyi Road, Tianshan District, Urumqi City, Xinjiang	April 9, 1998	Li Xiaofeng	0991-2300355
275	Urumqi Xinhua South Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	1–2/F, Ruijing Building, No. 288 Xinhua South Road, Tianshan District, Urumqi City, Xinjiang	November 14, 2007	Fan Feng	0991-6208615
276	Urumqi Youhao Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 487 Youhao South Road, Shayibake District, Urumqi City, Xinjiang	February 21, 2008	Zhao Li	0991-4532207
277	Urumqi Shenzhen Street Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	1/F & B1, Urumqi Post Office Building, No. 16, Xiyi Lane, Shenzhen Street, Urumqi Economic and Technological Development Zone, Xinjiang	April 24, 2002	Wang Yan	0991-3772810
278	Urumqi Gumudi Middle Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 739, Gumudi Middle Road, Midong District, Urumqi City, Xinjiang	January 31, 2008	Li Xiulei	0991-3381071

No.	Name	Address	Time of establishment	Principal	Telephone
279	Chang'an Yan'an Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	(Building 48, Qiu 3, Zone 40) No. 69 Yan'an South Road, Changji City, Changji Prefecture, Xinjiang	November 5, 2008	Chi Xiaojie	0994-2357411
280	Kashi Keziduwei Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 272 Keziduwei Road, Kashi City, Kashi Prefecture, Xinjiang	December 11, 2008	Du Juan	0998-5850703
281	Karamay Tianshan Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 70 Tianshan Road, Karamay City, Xinjiang	October 20, 2008	Liu Yan	0990-6890957
282	Karamay Junggar Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 61 Junggar Road, Karamay City, Xinjiang	September 27, 2011	Qu Jingqiang	0990-6234660
283	Korla Binhe Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	2/F, Zaishuiyifang, No.7 Binhe Road, Korla City, Bayingolin Mongol Autonomous Prefecture, Xinjiang	December 4, 2007	Li Xiaopeng	0996-2033425
284	Kuitun Beijing West Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Room 12, Building 7, Kalagashi-Beijing West Road, Downtown of Kuitun City, Yili Prefecture, Xinjiang	December 3, 2007	Liu Hu	09923224050
285	Shihezi North Second Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Rooms 22-A3 & 22-7, Chengyu Building, North Second Road, Sanxiao District, Shihezi City, Xinjiang	December 7, 2007	Wei Yuehong	0993-2010287
286	Yining Jiefang Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	2/F, Complex Building of New Times Plaza, No. 115 Jiefang Road, Yining City, Yili Prefecture, Xinjiang	February 6, 2007	Ma Zhaoyuan	0999-8039959

No.	Name	Address	Time of establishment	Principal	Telephone
287	Changji Yan'an North Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Room W, Building 3, Qiu 3, Zone 3, 5/F, Podium, Oriental Plaza, No. 198 Yan'an North Road, Changji City, Changji Prefecture, Xinjiang	January 21, 2002	Chen Yu	0994-2320994
288	Hami Aiguo North Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	4/F, Building 7, Huiya Yiyao Community, Aiguo North Road, Yizhou District, Hami City, Xinjiang	January 21, 2001	Liu Peiqin	0902-2311283
289	Aksu Dongda Street Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Room 01, 2/F, Yilong Hotel, Longtai Building, No. 26 Dongda Street, Aksu City, Xinjiang	July 23, 2008	Guo Wei	0997-2151000
290	Bole Beijing Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 148, Beijing Road, Bole City, Bortala Mongol Autonomous Prefecture, Xinjiang	July 30, 2008	Xu Yongru	0909-2222426
291	Shihezi Beisi Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 167, Community 22, Beisi Road, Shihezi City, Xinjiang	March 28, 2002	Li Hao	0993-2093889
292	Tacheng Wenhua Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Rooms 337–341, 3/F, Xinnong Pedestrian Street, Wenhua Road, Tacheng City, Tacheng Prefecture, Xinjiang	June 25, 2008	Qin Kaiyu	0901-6239582
293	Urumqi Fenghuangshan Street Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No.2-2 Toutunhe Highway, Toutunhe District, Urumqi City, Xinjiang	November 14, 2007	Lv Chunyu	0991-3112117
294	Turpan Wenhua Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 1028 Wenhua Road, Gaochang District, Turpan City, Xinjiang	July 21, 2008	Li Jiangping	0995-8628727

No.	Name	Address	Time of establishment	Principal	Telephone
295	Wujiaqu Zhenxing Street Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 261-2 Zhenxing Street, Wujiaqu City, Xinjiang	May 5, 2010	Wei Ze	0994-5800951
296	Hutubi Dongfeng Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 96 Dongfeng Road, Hutubi County, Changji Prefecture, Xinjiang	May 4, 2010	Cai Yongjia	0994-6825943
297	Manas Tuanjie Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	5/F, Agricultural Bank of China, No. 295 Tuanjie Road, Manas County, Changji Prefecture, Xinjiang	May 7, 2010	Wang Yongqiang	0994-6860038
298	Qitai Dongda Street Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 6 Dongda Street, Qitai County, Changji Prefecture, Xinjiang	May 7, 2010	Zhou Yan	0994-7241068
299	Fukang Fuxin Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	(Section 7, Zone 2), Rooms 4 & 5, 1-2/F, Building 20, Fuxing Huayuan Community, Fuxin Road, Fukang City, Xinjiang	May 6, 2010	Guo Qiang	0994-3233786
300	Hami Tuha Petroleum Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	3/F, Petroleum Sub-branch of Industrial and Commercial Bank of China, Tuha Petroleum Base, Hami City, Xinjiang	May 5, 2010	Xing Yan	09026-997831
301	Shache Qinaibage Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 1 Qinaibage Road, Shache County, Kashgar Prefecture, Xinjiang	May 6, 2010	Zhang Jiaxing	0998-8520066
302	Atushi Guangming Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 27 Guangming Road North, Atushu City, Kizilsu Kirghiz Autonomous Prefecture, Xinjiang	May 5, 2010	Zhu Guangming	0908-4265099
303	Wusu Beijing West Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 92, Beijing West Road, Wusu City, Tacheng Prefecture, Xinjiang	May 4, 2010	Wei Bianjiang	0992-3224521

No.	Name	Address	Time of establishment	Principal	Telephone
304	Altay Jiefang Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	4/F, Building 91, Zone 7, Jiefang Road, Altay Prefecture, Xinjiang	May 10, 2010	Chen Feng	0906-2134831
305	Kuche Wenhua East Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Rooms 1001-1004, 10/F, Wuzhou Building, No.11 Wenhua East Road, Kuche County, Aksu Prefecture, Xinjiang	May 4, 2010	Zhu Jiandong	09977151198
306	Shanshan Xincheng Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	5/F, Industrial and Commercial Bank of China, No. 96 Xincheng Road, Shanshan County, Turpan City, Xinjiang	September 23, 2008	Li Nan	0995-8314862
307	Horgos Yaou Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 1 Yaou North Road, Horgos City, Ili Prefecture, Xinjiang	May 8, 2017	Zhao Yun	0999-8039959
308	Alashankou Youhao Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 25 Youhao Road, Alashankou City, Bortala Mongol Autonomous Prefecture, Xinjiang	June 14, 2017	Ma Fuhua	0909-6999963
309	Alar Jinyinchuan Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Room 12-107, Xinyuan Mingju, Northeast Side of the Intersection of Jinyinchuan Road and Junken Avenue, Alar City, Xinjiang	October 14, 2010	Meng Xiangpeng	0997-4623322

Section VI Changes in Shares and Shareholders

I. CHANGES IN SHARES

(I) Table of changes in shares

Unit: Share

	Before the change		Increase or decrease (+,-) of this change					After the change	
	Number	Percentage	New shares issued	Bonus issue	Reserves capitalized	Others	Sub-total	Number	Percentage
I. Shares subject to selling restrictions	1,530,355	0.01%	0	0	0	-1,093,111	-1,093,111	**437,244**	**0.00%**
1. State-owned shares	0	0	0	0	0	0	0	**0**	**0**
2. Shares held by state-owned legal entities	0	0	0	0	0	0	0	**0**	**0**
3. Other domestic shares	1,530,355	0.01%	0	0	0	-1,093,111	-1,093,111	**437,244**	**0.00%**
Including: shares held by domestic legal entities	0	0	0	0	0	-1,093,111	-1,093,111	**0**	**0**
Shares held by domestic natural persons	1,530,355	0.01%	0	0	0	0	0	**437,244**	**0.00%**
4. Shares held by foreign capital	0	0.00%	0	0	0	0	0	**0**	**0.00%**
Including: shares held by overseas legal entities	0	0.00%	0	0	0	0	0	**0**	**0.00%**
Shares held by overseas natural persons	0	0.00%	0	0	0	0	0	**0**	**0.00%**

Unit: Share

	Before the change		Increase or decrease (+,-) of this change					After the change	
	Number	Percentage	New shares issued	Bonus issue	Reserves capitalized	Others	Sub-total	Number	Percentage
II. Shares without selling restrictions	25,038,414,205	99.99%	0	0	0	1,093,111	1,093,111	**25,039,507,316**	**99.99%**
1. RMB-denominated ordinary shares	22,534,414,205	89.99%	0	0	0	1,093,111	1,093,111	**22,535,507,316**	**99.99%**
2. Domestic listed foreign shares	0	0.00%	0	0	0	0	0	**0**	**0.00%**
3. Overseas listed foreign shares	2,504,000,000	10.00%	0	0	0	0	0	**2,504,000,000**	**10.00%**
4. Others	0	0.00%	0	0	0	0	0	**0**	**0.00%**
III. Total number of shares	25,039,944,560	100.00%	0	0	0	0		**25,039,944,560**	**100.00%**

Note: On July 31, 2020, 1,093,111 A shares subject to selling restrictions held by 1 shareholder of the Company were released from selling restrictions.

(II) Changes in A Shares subject to selling restrictions

Unit: Share

Name of shareholder	Number of shares subject to selling restrictions at the beginning of the period	Number of shares released from selling restrictions during this period	Increased number of shares subject to selling restrictions during this period	Number of shares subject to selling restrictions at the end of the period	Reasons for selling restrictions	Date of release from selling restrictions
Yichun Gold Store	1,093,111	1,093,111	0	**0**	Shares subject to selling restrictions in the merger and reorganization	July 31, 2020
The Special Account of Shenzhen Branch of the Special account of China Securities and Clearing Corporation for the remaining shares of listed company pending confirmation	437,244	0	0	**437,244**	Shares subject to selling restrictions in the merger and reorganization	January 26, 2016
Total	1,530,355	1,093,111	0	**437,244**		—

II. ISSUANCE AND LISTING OF SECURITIES

(I) The Company had no issuance or listing of securities during the Reporting Period.

(II) During the Reporting Period, there were no changes in the sum of the Company's shares or in the shareholder structure, or changes in the assets or liabilities of the Company caused by bonus shares, conversion of capital reserve into share capital, share allotment, additional issuance of new shares, non-public issuance of shares, warrants exercise, implementation of equity incentive plan, enterprise merger, equity conversion of convertible corporate bonds, capital reduction, listing of internal employee shares, issuance of bonds or other reasons.

(III) The Company has no internal employee shares.

III. SHAREHOLDERS AND ACTUAL CONTROLLERS

(I) The total number of shareholders as at the end of the month preceding the disclosure date of the annual report is 300,026 (including 299,959 A shareholders and 67 H shareholders)

(II) Number of shareholders and their shareholdings as of December 31, 2020

Unit: Share

Total number of ordinary shareholders as of the end of the Reporting Period	307,878 (including 307,810 A shareholders and 68 H shareholders)	**Total number of preferred shareholders whose voting rights were resumed at the end of the Reporting Period(if any)**	None

Shareholdings of the top ten ordinary shareholders

Name of shareholders	Nature of shareholder	Shareholding percentage	Number of ordinary shares held at the end of the Reporting Period	Increase or decrease during the Reporting Period	Number of ordinary shares subject to selling restrictions	Number of ordinary shares without selling restrictions	Pledged or frozen Status	Pledged or frozen Number
China Jianyin Investment Ltd.	State-owned legal entity	26.34%	6,596,306,947	0	0	6,596,306,947	—	0
Central Huijin Investment Ltd.	State shares	20.05%	5,020,606,527	0	0	5,020,606,527	—	0
HKSCC Nominees Limited	Overseas legal entity	10.00%	2,503,762,580	0	0	2,503,762,580	N/A	N/A
Shanghai Jiushi (Group) Co., Ltd.	State-owned legal entity	4.84%	1,212,810,389	0	0	1,212,810,389	—	0
Sichuan Development Holding Co., Ltd.	State-owned legal entity	4.49%	1,124,543,633	0	0	1,124,543,633	Pledged	562,271,816
China Everbright Group Ltd.	State-owned legal entity	3.99%	999,000,000	0	0	999,000,000	Pledged	67,500,000
China Securities Finance Corporation Limited	Domestic general legal entity	2.54%	635,215,426	0	0	635,215,426	—	0
Xinjiang Financial Investment Co., Ltd.	State-owned legal entity	1.84%	460,642,216	-109,652,224	0	460,642,216	Pledged	152,150,000

Shareholdings of the top ten ordinary shareholders

Name of shareholders	Nature of shareholder	Shareholding percentage	Number of ordinary shares held at the end of the Reporting Period	Increase or decrease during the Reporting Period	Number of ordinary shares subject to selling restrictions	Number of ordinary shares without selling restrictions	Pledged or frozen Status	Pledged or frozen Number
Hong Kong Securities Clearing Company Limited	Overseas legal entity	1.06%	265,535,276	1,831,741	0	265,535,276		0
Central Huijin Asset Management Ltd.	State-owned legal entity	0.79%	197,390,385	0	0	197,390,385	—	0

Strategic investors or general legal entities becoming the top ten holders of ordinary shares by placing of new shares	None
Description on the related relationship or parties acting-in-concert arrangements among the shareholders above	Central Huijin Investment Ltd. holds the entire equity interest in China Jianyin Investment Ltd., and holds the entire equity interest in Central Huijin Asset Management Ltd. and 63.16% of equity interest in China Everbright Group Ltd.

Shareholdings of the top ten ordinary shareholders without selling restrictions

Name of shareholder	Number of ordinary shares without selling restrictions at the end of the Reporting Period	Class of share	Number
China Jianyin Investment Ltd.	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	2,503,762,580	Overseas listed foreign shares	2,503,762,580
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

Shareholdings of the top ten ordinary shareholders without selling restrictions

Name of shareholder	Number of ordinary shares without selling restrictions at the end of the Reporting Period	Class of share	Number
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	265,535,276	RMB-denominated ordinary shares	265,535,276
Central Huijin Asset Management Ltd.	197,390,385	RMB-denominated ordinary shares	197,390,385
Description on the related relationship or parties acting-in-concert among the top ten ordinary shareholders without selling restrictions and between the top ten ordinary shareholders without selling restrictions and the top ten ordinary shareholders	Central Huijin Investment Ltd. holds the entire equity interest in China Jianyin Investment Ltd., and holds 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	None		

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).

(III) Controlling shareholders of the company

JIC has Dong Shi as its legal representative and Gu Jianguo as its president. It is established in September 2004 with a registered capital of RMB20.69225 billion.

1. Principal business

Investment and investment management, management and disposal of asset, corporation management, real estate lease, consulting.

2. Controlled and invested domestic or overseas corporations as of December 31, 2020

No.	Stock Code	Stock Name	Number of shares held (shares)
1	600385.SH	Shandong Jintai Group	5,333,334
2	600879.SH	China Aerospace Times Electronics	10,825,141
3	601229.SH	Bank of Shanghai	687,322,763
4	600369.SH	Southwest Securities	328,427,012
5	601995.SH	China International Capital Corporation	911,600

(IV) Actual controller of the Company

The actual controller of Shenwan Hongyuan Group is Central Huijin JIC is a wholly-owned subsidiary of Central Huijin.

As of December 31, 2020, the legal representative of Central Huijin was Peng Chun and the registered capital was RMB828,209 million.

1. Scope of business: Making equity investment in key state-owned financial institutions as authorised by the State Council; other related business approved by the State Council.

2. The information on the enterprises in which Central Huijin directly held shares as of December 31, 2020 is as follows:

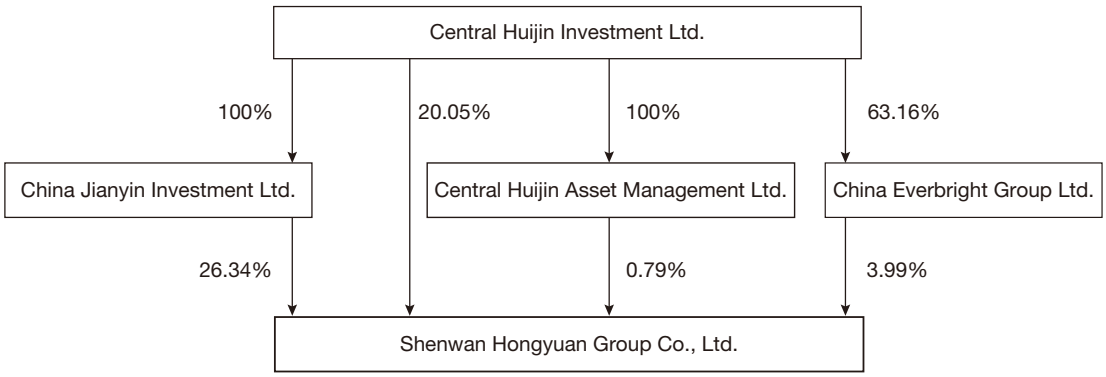
No.	Name of institution	Shareholding by Central Huijin
1	China Development Bank	34.68%
2	Industrial and Commercial Bank of China Limited★☆	34.71% [Note 1]
3	Agricultural Bank of China Limited★☆	40.03%
4	Bank of China Limited★☆	64.02%
5	China Construction Bank Corporation★☆	57.11%
6	China Everbright Group Ltd.	63.16%
7	Evergrowing Bank Co., Limited	53.95%
8	China Export & Credit Insurance Corporation	73.63%
9	China Reinsurance (Group) Corporation☆	71.56%
10	New China Life Insurance Company Limited★☆	31.34%
11	China Jianyin Investment Ltd.	100.00%
12	China Galaxy Financial Holding Co., Ltd.	69.07%
13	Shenwan Hongyuan Group Co., Ltd.★☆	20.05%
14	China International Capital Corporation Limited★☆	40.11%
15	China Securities Co., Ltd.★☆	30.76%
16	China Galaxy Asset Management Co., Ltd.	13.3%
17	Guotai Junan Investment Management Co., Ltd.	14.54%

Note 1: ★ represents A-share listed company; ☆ represents H-share listed company.

Note 2: Other than the above controlled subsidiaries and investees, Central Huijin also wholly owns Central Huijin Asset Management Ltd. Central Huijin Asset Management Ltd. was established in November 2015 and incorporated in Beijing with the registered capital of RMB5 billion, and is engaged in asset management.

3. Property right and control relationship between the Company and the actual controller

The property right and control relationship between the Company and the actual controller as of the end of the Reporting Period is as follows:



IV. INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at December 31, 2020, none of the directors, supervisors or chief executives of the Company had or was deemed to have interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance which were required, to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance, or were recorded in the register required to be maintained by the Company under Section 352 of the Securities and Futures Ordinance, or which were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

V. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at December 31, 2020, to the best knowledge of the Company after having made all reasonable enquiries, the following persons (other than directors, supervisors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company

pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance or which were recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance:

	Name of substantial shareholders	Class of shares	Nature of interests	Number of shares held (share)[Note 4]	Percentage of the total number of issued shares of the Company[Note 5]	Percentage of the total number of issued A Shares/ H Shares of the Company	Long/ short positions
1	Central Huijin Investment Ltd.[Note 1]	A Shares	Beneficial owner	5,020,606,527	20.05	22.28	Long positions
		A Shares	Interest in controlled corporations	7,792,697,332	31.12	34.58	Long positions
		H Shares	Interest in controlled corporations	756,472,000	3.02	30.21	Long positions
		H Shares	Interest in controlled corporations	64,193,600	0.26	2.56	Short positions
2	China Jianyin Investment Ltd.	A Shares	Beneficial owner	6,596,306,947	26.34	29.27	Long positions
3	Industrial and Commercial Bank of China Limited	H Shares	Beneficial owner	648,404,800	2.59	25.89	Long positions
4	Everbright PGIM Fund Management Co., Ltd. (on behalf of EPF — Huaxia Life SMAOne (光大保德信 — 華夏人壽1號單一資產管理計劃)	H Shares	Trustee	216,134,400	0.86	8.63	Long positions
5	Huaxia Life Insurance Co., Ltd.[Note 2]	H Shares	Beneficial owner	216,134,000	0.86	8.63	Long positions
6	China Life Insurance (Group) Company	H Shares	Beneficial owner	172,907,200	0.69	6.90	Long positions
7	SBI Holdings, Inc.[Note 3]	H Shares	Interest in controlled corporations	127,500,000	0.51	5.09	Long positions

Note 1: Central Huijin holds the entire equity interest in JIC, the entire equity interest in Central Huijin Asset Management Ltd., and 63.16% of equity interest in China Everbright Group Ltd. The total number of A Shares of the Company held by JIC, Central Huijin Asset Management Ltd. and China Everbright Group Ltd. is 7,792,697,332. Central Huijin indirectly held 756,472,000 H Shares of the Company through its controlled corporations including Industrial and Commercial Bank of China Limited, and China Reinsurance (Group) Corporation. In particular, Central Huijin held 648,404,800 shares through Industrial and Commercial Bank of China Limited and 108,067,200 shares through China Reinsurance (Group) Corporation.

Note 2: Huaxia Life Insurance Co., Ltd. has engaged Everbright PGIM Fund Management Co., Ltd. (光大保德信基金管理有限公司), a qualified domestic institutional investor as approved by the relevant PRC authority, as the asset manager, in the name of EPF — HuaXia Life SMA One (光大保德信 — 華夏人壽1號單一資產管理計劃), to subscribe and hold the H Shares of the Company on behalf Huaxia Life Insurance Co., Ltd.

Note 3: SBI Holdings, Inc. holds the entire equity interest in SBI Financial Services Co., Ltd. which in turn holds 51.28% of equity interest in Rheos Capital Works Inc. Therefore, pursuant to the Securities and Futures Ordinance, SBI Holdings, Inc. is deemed to hold equity interest in the 127,500,000 H Shares held by Rheos Capital Works Inc.

Note 4: According to Part XV of the Securities and Futures Ordinance, shareholders of the Company are required to file disclosure of interests forms when certain criteria are fulfilled. If the shareholders have not filed disclosure of interests forms as required under the Securities and Futures Ordinance, the actual shareholdings of the shareholders in the Company may be different from the shareholdings filed with the Stock Exchange as of the end of the Reporting Period. When the shareholdings of shareholders in the Company change, it is not necessary for such shareholders to notify the Company and the Hong Kong Stock Exchange unless certain criteria are fulfilled. Therefore, the actual shareholdings of substantial shareholders in the Company may be different from the shareholdings filed with the Hong Kong Stock Exchange as of the end of the Reporting Period.

Note 5: As at December 31, 2020 the Company has issued a total of 22,535,944,560 A Shares and 2,504,000,000 H Shares, totaling 25,039,944,560 shares.

Save as disclosed above, as December 31, 2020, the Company was not aware of any other person (other than directors, supervisors and chief executives of the Company) having any interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance and were required to be recorded, in the register that is required to be kept by the Company under Section 336 of the Securities and Futures Ordinance.

VI. SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and to the knowledge of the directors of the Company, during the Reporting Period and as of the date of this report, no less than 10% of the Company's total issued shares were held by the public, which meets the requirements as set out in the waiver letter on the public float obtained by the Company upon listing. For details, please refer to the H Shares prospectus of the Company dated April 12, 2019 and the announcement dated May 20, 2019 in relation to stabilizing actions, end of stabilization period and lapse of over-allotment option.

VII. REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, there was no repurchase, sale or redemption by the Company and any of its subsidiaries of the Company's listed securities.

VIII. ARRANGEMENT OF PRE-EMPTIVE RIGHT

Under the PRC laws and Articles of Association, shareholders of the Company did not have pre-emptive right.

Section VII Particulars of Directors, Supervisors, Senior Management and Employees

I. PARTICULARS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Basic information

1. Basic Information of Directors, Supervisors and Senior Management

Name	Position	Gender	Age	Tenure	Number of shares held (share)	Total remuneration before tax received from the Company during the Reporting Period (Unit: RMB'0,000)	Whether receiving remuneration from related parties of the Company
Chu Xiaoming	Executive Director, Chairman	Male	58	February 11, 2015 to present	0	379.01	No
Yang Wenqing	Executive Director, Vice Chairman	Male	57	March 21, 2019 to present March 29, 2019 to present	0	197.64	No
Chen Jianmin	Non-executive Director	Male	57	February 13, 2017 to present	0	–	Yes
Wang Honggang	Non-executive Director	Male	45	September 12, 2016 to present	0	–	Yes
Ge Rongrong	Non-executive Director	Female	52	March 21, 2019 to present	0	–	Yes
Ren Xiaotao	Non-executive Director	Male	49	March 21, 2019 to present	0	–	Yes
Zhang Yigang	Non-executive Director	Male	57	June 23, 2020 to present	0	–	Yes
Ye Mei	Independent non-executive Director	Female	54	December 11, 2012 to present	0	18	Yes
Xie Rong	Independent non-executive Director	Male	68	December 11, 2012 to present	0	18	Yes
Huang Danhan	Independent non-executive Director	Female	71	December 11, 2012 to present	0	15	Yes
Yeung Siuman Shirley	Independent non-executive Director	Female	58	November 5, 2020 to present	0	2.5	Yes

Name	Position	Gender	Age	Tenure	Number of shares held (share)	Total remuneration before tax received from the Company during the Reporting Period (Unit: RMB'0,000)	Whether receiving remuneration from related parties of the Company
Xu Yiyang	Supervisor, Chairman of the Board of Supervisors	Male	56	October 25, 2019 to present	0	351.87	No
Wen Feng	Supervisor	Male	52	February 11, 2015 to present	0	–	Yes
Gong Bo	Supervisor	Male	54	December 11, 2012 to present	0	–	No
Wei Yong	Supervisor	Male	48	September 12, 2016 to present	0	–	Yes
Huang Qi	Employee representative supervisor	Male	54	May 14, 2015 to present	0	181.69	No
Wang Yanyang	Employee representative supervisor	Male	49	May 16, 2016 to present	0	173.77	No
Xie Kun	Employee representative supervisor	Male	42	May 14, 2015 to present	0	207.33	No
An Gejun	Employee representative supervisor	Male	52	May 14, 2015 to present	0	116.23	No
Huang Hao	General manager	Male	47	December 18, 2020 to present	0	12.34	No
Ren Quansheng	Deputy general manager, Chief financial officer, Secretary to the Board (Acting)	Female	52	May 18, 2020 to present December 18, 2020 to present December 18, 2020 to March 15, 2021	0	144.12	No

Name	Position	Gender	Age	Tenure	Number of shares held (share)	Total remuneration before tax received from the Company during the Reporting Period (Unit: RMB'0,000)	Whether receiving remuneration from related parties of the Company
Liu Yue	Assistant to general manager	Male	52	August 18, 2016 to present	0	269.02	No
Resigned directors, supervisors and senior management during the Reporting Period							
Xu Zhibin	Executive director General manager	Male	44	June 23, 2020 to December 18, 2020 November 29, 2019 to December 18, 2020	0	305.48	No
Wang Fengchao	Non-executive Director	Male	55	January 14, 2019 to June 22, 2020	0	—	Yes
Yang Qiumei	Independent non-executive Director	Female	55	February 20, 2019 to November 5, 2020	0	12.5	No
Yang Changyun	Deputy general manager, chief financial officer, Secretary to the Board	Male	50	January 16, 2015 to December 18, 2020	0	255.00	No
Total					0	2,659.50	

Note 1: The Company did not implement an equity incentive plan. During the Reporting Period, the Company's directors, supervisors and senior management did not hold shares of the Company.

Note 2: During the term of office, the total pre-tax remuneration of directors, supervisors and senior managers received from the Company includes basic annual salary, performance-based annual salary, allowances and subsidies.

Note 3: In addition, during the Reporting Period, the directors, supervisors and senior executives were paid deferred performance-based remuneration of RMB4,156,300 for the past year.

2. Positions held by Directors and Supervisors in shareholder entities

Name	Name of shareholder entities	Position held in shareholder entities	Tenure	Whether receiving remuneration and allowances from shareholder entities
Chen Jianmin	Central Huijin Investment Ltd.	Designated director of Office of the Directly Managed Enterprises Leading Group/Equity Management Department II	October 2016 to present	Yes
Ge Rongrong	Central Huijin Investment Ltd.	Designated director of Office of the Directly Managed Enterprises Leading Group/Equity Management Department II	March 2019 to present	Yes
Ren Xiaotao	Central Huijin Investment Ltd.	Designated director of Office of the Directly Managed Enterprises Leading Group/Equity Management Department II	March 2019 to present	Yes
Zhang Yigang	Sichuan Development Holding Co., Ltd.	Deputy secretary of the Party Committee, vice chairman, general manager	June 2020 to present	Yes
Gong Bo	Zhejiang China Commodities City Group Co., Ltd.	General manager of Huishang Investment Management Branch	April 2012 to May 2019	No
Wei Yong	SAIC Motor Corporation Limited	Acting chief financial officer	October 2016 to present	Yes
		Vice president	July 2019 to Present	

3. Positions held by Directors, Supervisors and senior management in other entities

Name	Name of other entities	Position held in other entities	Tenure	Whether receiving remuneration and allowances from other entities
Chu Xiaoming	Shenwan Hongyuan Securities Co., Ltd.	Chairman of the board of directors	January 2015 to present	Yes
Chen Jianmin	Shenwan Hongyuan Securities Co., Ltd.	Non-executive director	February 2017 to present	No
Wang Honggang	Shanghai Shen-Tie Investment Co., Ltd.	General manager	November 2017 to present	Yes
	Jinghu Expressway Railway Company Limited	Vice president of the board of supervisors	November 2018 to present	No
Ge Rongrong	Shenwan Hongyuan Securities Co., Ltd.	Non-executive director	June 2019 to present	No
Ren Xiaotao	Shenwan Hongyuan Securities Co., Ltd.	Non-executive director	June 2019 to present	No
Zhang Yigang	Sichuan Urban and Rural Construction Investment Co., Ltd.	Chairman of the board of directors	February 2015 to present	No
Ye Mei	Bekaert SA	Independent director	May 2014 to present	Yes
	New York Military Academy	Director	January 2016 to present	No
	Stanford Global Projects Center	Director	January 2016 to present	No
	Oxford University Rhodes Trust (Rhodes Scholarships)	Advisor	January 2018 to present	No
Xie Rong	China Traditional Chinese Medicine Holdings Co. Limited	Independent director	February 2013 to present	Yes
	Shanghai Bairun Investment Holding Group Co., Ltd.	Independent director	June 2015 to present	Yes
	Shanghai International Trust Co., Ltd.	Independent director	May 2016 to present	Yes
	Baoshan Iron & Steel Co., Ltd.	Independent director	May 2018 to present	Yes

Name	Name of other entities	Position held in other entities	Tenure	Whether receiving remuneration and allowances from other entities
Huang Danhan	DBS Bank (China) Limited	Independent director	February 2016 to present	Yes
Yeung Siuman Shirley	Dragonrise Capital Advisors (HK) Limited	Chairwoman and founding managing partner	October 2004 to present	No
	Suzhou Longrui Venture Capital Management Co., Ltd.	Part-time chairwoman and founding managing partner	December 2009 to present	Yes
	Nanjing Longjun Investment Management Co., Ltd.	Part-time chairwoman and founding managing partner	April 2014 to present	No
Xu Yiyang	Shenwan Hongyuan Securities Co., Ltd.	Chairman of the board of supervisors	January 2015 to present	Yes
	China Securities Industry Culture Construction Committee of the Securities Association of China	Member	November, 2019 to present	No
	Professional Committee of the Board of Supervisors of China Association for Public Companies	Vice chairman	September, 2020 to present	No

Name	Name of other entities	Position held in other entities	Tenure	Whether receiving remuneration and allowances from other entities
Wen Feng	Ganzhou Yishen Investment Partners Inc. (limited partnership)	Executive partner representative	November 2013 to present	No
	Ganzhou Merchants Zhiyuan No.1 Equity Investment Management Co., Ltd.	General manager	June 2013 to present	No
	Ganzhou Merchants Zhiyuan No.1 Equity Investment Partners Inc. (limited partnership)	Executive partner representative	June 2013 to present	No
	Shenwan Hongyuan Securities Co., Ltd.	Supervisor	January 2015 to present	No
	Chizhou CMS Zhong An Equity Investment Management Co., Ltd.	General manager	November 2015 to present	Yes
	Chizhou CMS Zhong An Equity Investment Partners Inc. (limited partnership)	Executive partner representative	November 2015 to present	No
	Taikang Insurance Group Inc.	Supervisor	September 2018 to present	No
	Shanghai Dobe Cultural & Creative Industry Development (Group) Co., Ltd.	Director	September 2018 to present	No

Name	Name of other entities	Position held in other entities	Tenure	Whether receiving remuneration and allowances from other entities
Gong Bo	Yiwu Huishang Zijing Equity Investment Company Limited	General manager	April 2014 to May 2019	No
	Shenwan Hongyuan Securities Co., Ltd.	Supervisor	January 2015 to present	No
	Zhejiang Chouzhou Financial Leasing Co., Ltd.	Director	June 2016 to May 2019	No
	Yiwu Huishang Zijing Capital Management Company Limited	Director	August 2016 to May 2019	No
	Yiwu China Commodities City Investment Management Co., Ltd.	Director	May 2017 to May 2019	No
	Yiwu China Commodities City Financial Holdings Co., Ltd.	–	January 2020 to present	Yes

Name	Name of other entities	Position held in other entities	Tenure	Whether receiving remuneration and allowances from other entities
Wei Yong	Sailing Capital International (Shanghai) Co., Ltd.	Director	March 2012 to present	No
	SAIC Equity Investment Company Limited	Director	September 2014 to present	No
	SAIC Venture Capital Corporation	Director	September 2014 to present	No
	SAIC Finance Corporation Limited	Director	October 2016 to present	No
	SAIC Insurance Sales Company Limited	Chairman of the board of directors	October 2016 to present	No
	SAIC-GMAC	Chairman of the board of directors	October 2016 to present	No
	SAIC Motor HK Investment Limited	Director, general manager	October 2016 to present	No
	Shanghai Chexiangjia Automotive Technology Service Co., Ltd.	Director	June 2017 to present	No
	CATL-SAIC MotorPower Battery Co., Ltd.	Supervisor	June 2017 to present	No
	SAIC HK International Finance Limited	Chairman of the board of directors	June 2020 to present	No
	IM Motors Technology Co., Ltd.	Supervisor	November 2020 to present	No
Wang Yanyang	Shenwan Hongyuan Investment Co., Ltd.	Supervisor	November 2017 to present	No
	Hongyuan Huizhi Investment Co., Ltd.	Supervisor	December 2017 to present	No
	Xinjiang Tianshan Industrial Investment Fund Management Co., Ltd.	Chairman of the board of supervisors	June 2020 to present	No

Name	Name of other entities	Position held in other entities	Tenure	Whether receiving remuneration and allowances from other entities
Xie Kun	Xinjiang Tianshan Industrial Investment Fund Management Co., Ltd.	Director	June, 2020 to present	No
	Hongyuan Huifu Capital Co., Ltd.	Director	July, 2020 to present	No
An Gejun	Shenwan Hongyuan Industrial Investment Management Company Limited	Deputy general manager	April 2015 to May 2020	Yes
	Shenwan Hongyuan Industrial Investment Management Company Limited	–	May, 2020 to present	Yes
Liu Yue	Shenwan Hongyuan Industrial Investment Management Company Limited	Executive director	December 2016 to present	No

(II) Main work experience of directors, supervisors and senior management

1. Main work experience of directors

Executive Directors

Mr. Chu Xiaoming (儲曉明) currently serves as an executive director and the chairman of the Board of Shenwan Hongyuan Group Co., Ltd.. His main work experience includes: successively held various positions at the Industrial and Commercial Bank of China from August 1984 to June 2002, including staff member, deputy chief section member of the business credit department, the principal and deputy head of the project appraisal office of the technology renovation and loan department, deputy head of the investigation and appraisal office of the technology renovation and loan department, head of the investigation and appraisal office of the fixed assets loan department, head of the infrastructure appraisal office of the valuation and consultancy department, the general manager of Yintong Investment Consulting Company Limited, and the researcher at the deputy general manager level of the banking asset risk management department successively. Mr. Chu worked at China National Offshore Oil Corporation ("CNOOC") from June 2002 to August 2010, successively held the positions of deputy general manager of CNOOC Finance Corporation Limited, executive deputy general manager, secretary of the Party Committee and general manager of Zhonghai Trust and Investment Co., Ltd.; secretary of the Party Committee of Shenyin & Wanguo Securities Co., Ltd.*(申銀萬國證券股份有限公司) from August 2010 to December 2014; general manager of Shenyin & Wanguo Securities Co., Ltd. from October 2010 to January 2015; vice chairman of the board of directors of Shenyin & Wanguo Securities Co., Ltd. from December 2010 to February 2015; he also successively took the positions of vice chairman of the board of directors and general manager of Shenyin Wanguo (H.K.) Limited and vice chairman of the board of directors and general manager of Shenwan Hongyuan (International) Holdings Limited from December 2010 to March 2016; chairman of the board of directors of Shenyin Wanguo (H.K.) Limited, chairman of the board of directors of Shenwan Hongyuan (H.K.) Limited from December 2010 to March 2016 successively; vice chairman of the board of directors of SWS Research Co., Ltd. from March 2011 to December 2019; the secretary of the Party Committee of Shenwan Hongyuan Group Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd. since December 2014 till now; the executive director and chairman of the board of directors of Shenwan Hongyuan Securities Co., Ltd. since January 2015 till now; the executive director and chairman of the Board of Shenwan Hongyuan Group Co., Ltd. since February 2015 till now; and the chairman of the board of Shenwan Hongyuan (International) Holdings Limited from March 2016 to September 2019. Mr. Chu obtained the bachelor's degree in economics from Central Institute of Finance and Banking* (中央財政金融學院, now known as Central University of Finance and Economics) in July 1984 and his MBA (International Curriculum) degree from the University of Hong Kong in December 2003.

Mr. Yang Wenqing (楊文清) currently serves as an executive director and the vice chairman of the Board of Shenwan Hongyuan Group Co., Ltd.. His main work experience includes: from September 1997 to March 2003, he successively served as department cadre of Executive Office of the China Development Bank and the office director of the business department. From April 2003 to June 2005, he served as member of the Party Committee, vice president and Secretary of Committee for Discipline Inspection of the Hainan Branch of the China Development Bank. From June 2005 to March 2008, he served as deputy director of the Party Committee Office and deputy director of the General Office of the China Development Bank. From March 2008 to December 2013, he served as Party Secretary and president of the Gansu Branch of the China Development Bank. From December 2013 to July 2015, he served as Minister of the CPC organization department and director general of Human Resources

Department of the China Development Bank. From July 2015 to January 2019, he served as Secretary of Committee for Discipline Inspection and member of the Party Committee of the China Investment Corporation. Since March 2019 till now, he has served as executive director and the vice chairman of the Board of Shenwan Hongyuan Group Co., Ltd.. Mr. Yang obtained a bachelor's degree in economics from Shanxi University of Finance and Economics in July 1986 majoring in finance. Mr. Yang is a senior economist.

Non-executive Directors

Mr. Chen Jianmin (陳建民) currently serves as a non-executive director of Shenwan Hongyuan Group Co., Ltd.. His main work experience includes: Mr. Chen served as the deputy head of the Audit Office of Yunnan Province from April 1994 to March 1998. He served as the deputy head and researcher of the Office of People's Government of Yunnan Province and deputy head of leading group office for the rectification of securities institution of People's Government of Yunnan Province from March 1998 to August 2001; the deputy general manager of Yunnan International Trust Investment Corporation* (雲南省國際信托投資公司) from October 2001 to March 2002; the vice president of Hongta Securities Co., Ltd. from March 2002 to October 2010 and served in the non-banking division of Central Huijin Investment Ltd. as designated board member for invested companies from October 2010 to December 2012; the non-executive director of Shenyin & Wanguo Securities Co., Ltd. from November 2010 to December 2012; deputy general manager of Shenyin & Wanguo Securities Co., Ltd. from December 2012 to January 2015; the chairman of the board of directors of Shenyin & Wanguo Alternative Investment Co., Ltd. (申銀萬國創新證券投資有限公司) from April 2013 to September 2016; the deputy general manager of Shenwan Hongyuan Securities Co., Ltd. from January 2015 to August 2016; the chairman of the board of directors of Shenwan Futures Co., Ltd. from December 2015 to October 2016; the chairman of the board of directors of Shenyin & Wanguo Investment Co., Ltd. from March 2016 to September 2016; and served as a designated director of the office of the directly managed enterprises leading group/equity management department II of Central Huijin Investment Ltd. since October 2016 till now. He has been a non-executive director of Shenwan Hongyuan Group Co., Ltd. and a non-executive director of Shenwan Hongyuan Securities Co., Ltd. since February 2017 till now. Mr. Chen obtained the bachelor degree of agricultural economics from Nanjing Agricultural College* (南京農學院, now known as Nanjing Agricultural University) in July 1984, and the master's degree in business administration from Kunming University of Science and Technology in April 2002.

Mr. Wang Honggang (王洪剛) currently serves as a non-executive director of Shenwan Hongyuan Group Co., Ltd.. His main work experience includes: Mr. Wang served as the accountant of the budgeting and finance department of Shanghai Jiushi Corporation* (上海久事公司) from July 1998 to February 2001. From March 2001 to November 2001, he worked in the capital management department of Shanghai Jiushi Corporation. From December 2001 to February 2004, he continued working in the budgeting and finance department of Shanghai Jiushi Corporation. From March 2004 to February 2005, he served as the assistant to manager of capital management department of Shanghai Jiushi Corporation. He successively served as the senior manager, deputy manager of the finance management department of Shanghai Jiushi Corporation from March 2005 to May 2015, the manager of the planning and finance department of Shanghai Juss International Events Management Company Limited* (上海久事國際賽事管理有限公司) from April 2008 to October 2009, the director of Shanghai Shen-Tie Investment Co., Ltd. since March 2012 till now, the general manager of the finance management department of Shanghai Jiushi Corporation from May 2015 to October 2015,

general manager of the finance management department of Shanghai Jiushi (Group) Co., Ltd. from October 2015 to February 2017, the chief supervisor of Shanghai Jiushi Investment Management Co., Ltd.* (上海久事投資管理有限公司) from December 2015 to April 2017. He has been the non-executive director of Shenwan Hongyuan Group Co., Ltd. since September 2016 till now. He served as the executive deputy general manager of Shanghai Shen-Tie Investment Co., Ltd. from February 2017 to November 2017 and general manager of Shanghai Shen-Tie Investment Co., Ltd. since November 2017 till now, and the vice president of the board of supervisors of Jinghu Expressway Railway Company Limited since November 2018 till now. Mr. Wang obtained the bachelor's degree in economics from Shanghai University of Finance and Economics in June 1998 and the MBA degree from Shanghai Jiao Tong University in March 2008.

Ms. Ge Rongrong (葛蓉蓉) currently serves as a non-executive director of Shenwan Hongyuan Group Co., Ltd.. Her main work experience includes: Ms. Ge served as a staff member in the finance division of foreign trade and economic bureau in Huangshan City from July 1989 to August 1991; a lecturer for the School of Economics and Management in Beijing University of Technology from July 1994 to August 1998; an associate research fellow in the research department of Dapeng Securities Company (Beijing)* (大鵬證券公司北京) from August 1998 to September 2001; director officer of the department of public offering supervision of the CSRC from September 2001 to March 2005; senior manager and deputy head of the Department of China Construction Bank Shareholding Management of Central Huijin Investment Ltd. successively from March 2005 to September 2007; deputy officer and officer of China Construction Bank Shareholding Management Division of the Banking Department at Central Huijin Investment Ltd. successively from September 2007 to February 2011; employee supervisor of the board of supervisors of Central Huijin Investment Ltd. from September 2008 to November 2011; proposed director of the Banking Department at Central Huijin Investment Ltd. from February 2011 to January 2012; non-executive director of Industrial and Commercial Bank of China Limited from January 2012 to June 2017; division chief and director of Research Support Division of Banking Institutions Department I of Central Huijin Investment Ltd. successively from January 2013 to July 2017; deputy officer and managing director of Banking Institutions Department I of Central Huijin Investment Ltd. successively from June 2015 to December 2017; and an independent director of ICBC Credit Suisse Asset Management Co. Ltd. from March 2018 to June 2019. She has been a designated director of the office of the directly managed enterprises leading group/equity management department II of Central Huijin Investment Ltd. since March 2019 till now; a non-executive director of Shenwan Hongyuan Group Co., Ltd. since March 2019 till now; and a non-executive director of Shenwan Hongyuan Securities Co., Ltd. since June 2019 till now. Ms. Ge obtained a bachelor's degree in engineering from Zhejiang University in July 1989 majoring in materials science and engineering, a master's degree in economics from Beijing Normal University in June 1994 majoring in political economics and a doctorate degree in management from the School of Management of University of Science and Technology of China in December 2006. Ms. Ge is a senior economist.

Mr. Ren Xiaotao (任曉濤) currently serves as a non-executive director of Shenwan Hongyuan Group Co., Ltd.. His main work experience includes: Mr. Ren served as a teacher of the division of senior high school mathematics at Jian Ping High School in Shanghai from July 1994 to August 1999; actuarial analyst and actuarial manager of the finance department and actuarial senior manager of the actuarial department of China Pacific Insurance (Group) Co., Ltd. successively from July 2002 to September 2010; senior deputy manager of the non-banking division of Central Huijin Investment Ltd. from September 2010 to February 2012; senior deputy manager of the securities institution management division/insurance institution

management division of Central Huijin Investment Ltd. from February 2012 to July 2014. He has been the division chief, senior deputy manager, senior manager and director of Insurance Institutions Equity Department II of the securities institution management division/insurance institution management division of Central Huijin Investment Ltd. from July 2014 to March 2019, and worked as the deputy general manager of the development and planning department of China Continent Property & Casualty Insurance Company Ltd. from February 2015 to August 2015; deputy general manager of the assets management department of China Continent Property & Casualty Insurance Company Ltd. and deputy general manager of China (Shanghai) Pilot Free Trade Zone Branch from September 2015 to December 2015. Mr. Ren has been a designated director of the office of the directly managed enterprises leading group/equity management department II of Central Huijin Investment Ltd. since March 2019 till now; a non-executive director of Shenwan Hongyuan Group Co., Ltd. since March 2019 till now; and non-executive director of Shenwan Hongyuan Securities Co., Ltd. since June 2019 till now. Mr. Ren obtained a bachelor's degree in science from Northeast Normal University in June 1994, and a master's degree in economics from the Central University of Finance and Economics in June 2002 majoring in finance.

Mr. Zhang Yigang (張宜剛) currently serves as a non-executive director of Shenwan Hongyuan Group Co., Ltd.. His main work experience includes: Mr. Zhang successively worked at the Diversified Operation Office of Yanting County Government, Sichuan Province, the Policy Research Office of the County Party Committee and the Office of the County Party Committee of Yanting County, Sichuan Province, and the Municipal Party Committee Office of Mianyang City, Sichuan Province from August 1983 to May 1998. He served as the secretary at deputy director general level and the secretary at director general level of the General Office of Sichuan Provincial Party Committee from May 1998 to December 2007 (during which, he concurrently served as the deputy general manager of Sichuan State-owned Assets Investment Management Co., Ltd. (四川省國有資產投資管理有限責任公司) from December 2001 to January 2007). From December 2007 to March 2009, he served as a researcher of the office of the State-owned Assets Supervision and Administration Commission of Sichuan Province (during which he concurrently served as the chairman, the secretary of the Party committee and the secretary of the discipline inspection commission of Sichuan State-owned Assets Investment Management Co., Ltd. from January 2007 to March 2009). He successively served as the deputy general manager, a director and the deputy general manager; a member of the Party committee, a director and the deputy general manager; the deputy secretary of the Party committee, a director and the deputy general manager of Sichuan Development Holding Co., Ltd. (四川發展（控股）有限責任公司) from March 2009 to July 2019. He served as a director of Sichuan Shengtian New Energy Development Co., Ltd. (四川晟天新能源發展有限公司) from April 2015 to December 2018. From December 2015 to August 2019, he served as an executive director of Sichuan Development Guorui Mining Investment Co., Ltd. (四川發展國瑞礦業投資有限公司). He has been the chairman of Sichuan Urban and Rural Construction Investment Co., Ltd. (四川城鄉建設投資有限責任公司) since February 2015; he served as the deputy secretary of the Party committee and a director of Sichuan Development Holding Co., Ltd. from July 2019 to June 2020. He has served as the deputy secretary of the Party committee, vice chairman and general manager of Sichuan Development Holding Co., Ltd. and a non-executive director of Shenwan Hongyuan Group Co., Ltd. since June 2020. Mr. Zhang Yigang graduated from Southwest Agricultural College (renamed as Southwest University in 2005), majoring in agriculture, with a bachelor's degree in agriculture in August 1983, and graduated from the University of Electronic Science and Technology of China, majoring in executive master of business administration, with a master's degree in business administration in June 2005.

Independent Non-executive Directors:

Ms. Ye Mei (葉梅) currently serves as an independent non-executive director of Shenwan Hongyuan Group Co., Ltd.. Her main work experience includes: Ms. Ye served in McKinsey & Company as a senior expert from February 2003 to May 2013. She was an independent non-executive director of Shenyin & Wanguo Securities Co., Ltd. from December 2012 to January 2015. She has served as an independent non-executive director of Bekaert SA (a company listed on Euronext Brussels, stock code: BEKB) since May 2014 till now and an independent non-executive director of Shenwan Hongyuan Group Co., Ltd. since January 2015 till now. Ms. Ye is currently a member of the board of directors of trustees of New York Military Academy, an advisor of Oxford University Rhodes Trust (Rhodes Scholarships) and a member of the Advisory Committee of the Globe Project Center of Stanford University. Ms. Ye obtained a bachelor's degree in laws in international politics from Fudan University in July 1986, and the master's degree in public administration from the University of North Carolina at Chapel Hill in May 1993.

Mr. Xie Rong (謝榮) currently serves as an independent non-executive director of Shenwan Hongyuan Group Co., Ltd.. His main work experience includes: Mr. Xie successively served in positions such as the lecturer, associate professor, professor, instructor of doctorate students and associate head of the department of Accounting School of Shanghai University of Finance and Economics from December 1985 to December 1997, partner of KPMG Huazhen LLP (Shanghai) from December 1997 to October 2002. From October 2002 to November 2017, he served as a professor of Shanghai National Accounting Institute, during which, he served as a deputy dean of Shanghai National Accounting Institute from October 2002 to August 2012. He has been non-executive director of SAIC Motor Corporation Limited (a company listed on Shanghai Stock Exchange, stock code: 600104) from June 2008 to June 2018. He served as an independent non-executive director of Shenyin & Wanguo Securities Co., Ltd. from December 2012 to January 2015; independent non-executive director of Shanghai Baosight Software Co., Ltd. (a company listed on Shanghai Stock Exchange, stock code: 600845) from April 2010 to March 2016; independent non-executive director of China Everbright Bank Company Limited (a company listed on Hong Kong Stock Exchange, stock code: 6818; and a company listed on Shanghai Stock Exchange, stock code: 601818) from January 2013 to July 2019; independent non-executive director of China Traditional Chinese Medicine Holdings Co. Limited (a company listed on Hong Kong Stock Exchange, stock code: 570) from February 2013 till now; independent non-executive director of Shenwan Hongyuan Group Co., Ltd. since January 2015 till now; independent non-executive director of Shanghai Bairun Investment Holding Group Co., Ltd (a company listed on Shenzhen Stock Exchange, stock code: 002568) since June 2015 till now and independent non-executive director of Shanghai International Trust Co., Ltd. since May 2016 till now. He has been an independent non-executive director of Baoshan Iron & Steel Co., Ltd. (a company listed on Shanghai Stock Exchange, stock code: 600019) since May 2018 till now. Mr. Xie obtained the bachelor's degree in economics from Shanghai College of Finance and Economics in July 1983, the master's degree in economics from Shanghai University of Finance and Economics in March 1986 and the doctorate degree in economics from Shanghai University of Finance and Economics in January 1993.

Ms. Huang Danhan (黃丹涵) currently serves as an independent non-executive director of Shenwan Hongyuan Group Co., Ltd.. Her main work experience includes: Ms. Huang successively served as deputy researcher and deputy head of the Policy Research Department and the Department of Treaty and Law of Ministry of Foreign Economics Relations and Trade (now Ministry of Commerce) from

July 1987 to July 1992; member of the First Session of the Public Offering Examination and Approval Commission under the CSRC from May 1993 to May 1995; attorney and partner of Beijing Bridge Law Office (北京市博宇律師事務所, now known as Sinobridge PRC Lawyers) from July 1993 to July 1999; general manager of the legal department of China Construction Bank Corporation from August 1999 to March 2001; chief counsel and head of the legal department of China Galaxy Securities Co., Ltd. from March 2001 to September 2004; independent non-executive director of Bank of China Limited (a company listed on the Shanghai Stock Exchange, stock code: 601988; and a company listed on the Hong Kong Stock Exchange, stock code: 3988) from November 2007 to September 2013; independent non-executive director of Shenyin & Wanguo Securities Co., Ltd. from December 2012 to January 2015; and a senior consultant of Beijing FenXun Partners from July 2016 to June 2019. She has been an independent non-executive director of Shenwan Hongyuan Group Co., Ltd. since January 2015 till now, and an independent non-executive director of DBS Bank (China) Limited since February 2016 till now. Ms. Huang served as a senior expert and the chief expert in service and trading for EU-China Trade Project. Ms. Huang also served as PRC director of West African Development Bank. Ms. Huang obtained the bachelor's degree in English from the Foreign Language School of Central China Normal University in January 1982, the master's degree in international law from the Law School of the University of Strasbourg, France in March 1984, and the State Doctorate degree in law in March 1987.

Ms. Yeung Siuman Shirley (楊小雯) currently serves as an independent non-executive director of Shenwan Hongyuan Group Co., Ltd. Her main work experience includes: Ms. Yeung served as the person in charge of the international securities department of Verizon Investment Management Corp. from June 1993 to May 1997, the vice president of the capital market department of JP Morgan Chase & Co. from June 1997 to January 2000, and the head of China of PCCW VENTURES LIMITED, a venture capital fund under PCCW Limited (電訊盈科有限公司) from January 2000 to March 2003. She has served as the chairwoman and founding managing partner of Dragonrise Capital Advisors (HK) Limited (龍騰資本有限公司) since October 2004, concurrently the chairwoman and founding managing partner of Suzhou Longrui Venture Capital Management Co., Ltd. (蘇州龍瑞創業投資管理有限公司) since December 2009, and concurrently the chairwoman and founding managing partner of Nanjing Longjun Investment Management Co., Ltd. (南京龍駿投資管理有限公司) since April 2014. She has been an independent non-executive director of Shenwan Hongyuan Group Co., Ltd. since November 2020. Ms. Yeung Siuman Shirley graduated from Beijing Foreign Studies University, majoring in international relations with a bachelor's degree in arts in July 1984, and graduated from Yale School of Management in the United States with an MBA degree in May 1993.

2. Main work experience of supervisors

Mr. Xu Yiyang (徐宜陽) currently serves as a supervisor and the chairman of the Board of Supervisors of Shenwan Hongyuan Group Co., Ltd.. His main work experience includes: Mr. Xu worked at PetroChina Changqing Oilfield Company in Qingyang, Gansu Province from September 1980 to March 1983. He worked at Dagang Petroleum Administration Bureau from March 1983 to October 1998, and successively served as deputy secretary and secretary of the Communist Youth League at Well Drilling Corporation, deputy secretary and secretary of the Communist Youth League at Dagang Petroleum Administration Bureau, and deputy Party committee secretary, secretary of the discipline inspection committee and deputy director at the Oil Refinery Plant. From October 1998 to April 2002, Mr. Xu served as Party committee secretary, director and general manager of Shanghai Ai Shi Co., Ltd.* (上海愛使股份有限公司) (now known as Shanghai U9 Game Limited Liability Company.* (上海遊久遊戲股份有限公司), a company

listed on the Shanghai Stock Exchange, stock code: 600652). From April 2002 to February 2004, he was a member of the Party committee and deputy general manager of Shanghai Securities Co., Ltd. From March 2004 to May 2010, he was a member of the Party committee, deputy general manager, a member of the management committee, secretary to the board of directors and deputy chief of the leading group of emergency response to crisis of Shanghai Aijian Co., Ltd.* (上海愛建股份有限公司) (now known as Shanghai Aijian Group Co., Ltd.* (上海愛建集團股份有限公司), a company listed on the Shanghai Stock Exchange, stock code: 600643). He held concurrent posts successively as Party committee secretary, chairman of the board of directors, chief of the leading group of emergency response to crisis, vice chairman of the board of directors and acting general manager of Shanghai Aijian Securities Co., Ltd.* (上海愛建證券有限責任公司) from March 2004 to May 2010. From September 2004 to June 2010, he held concurrent posts successively as the director and vice chairman of the board of directors of Shanghai Aijian Trust Investment Co., Ltd.* (上海愛建信託投資有限責任公司). From June 2010 to December 2014, he successively served as deputy Party committee secretary and secretary of the discipline inspection committee of Shenyin & Wanguo Securities Co., Ltd. (during which: he concurrently served as the vice chairman of the board of directors of Shenyin Wanguo (H.K.) Limited (now known as Shenwan Hongyuan (International) Holdings Limited) from December 2010 to January 2016; and as the chairman of Shenyin & Wanguo Investment Co., Ltd. from January 2011 to March 2016); since December 2014, Mr. Xu has been a member of the Party committee of Shenwan Hongyuan Group Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd. Since January 2015, he has been chairman of the board of supervisors of Shenwan Hongyuan Securities Co., Ltd. (during which: he served as the secretary of the discipline inspection committee of Shenwan Hongyuan Group Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd. from December 2014 to June 2020; and concurrently served as the chairman of the labor union of Shenwan Hongyuan Securities Co., Ltd. from June 2015 to July 2019, the chairman of the board of supervisors of SWS MU Fund Management Co., Ltd. from July 2015 to March 2016, the chairman of the board of supervisors of Shenwan Hongyuan (International) Holdings Limited from January 2016 to August 2019 and the principal of the Party school of Shenwan Hongyuan Securities Co., Ltd. from June 2017 to March 2019); He has been a supervisor and the chairman of the Board of Supervisors of Shenwan Hongyuan Group Co., Ltd. since October 2019. He has concurrently served as the principal of the Party school of Shenwan Hongyuan Group Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd. since June 2020, a member of China Securities Industry Culture Construction Committee of the Securities Association of China since November, 2019 and the vice chairman of the Professional Committee of the Board of Supervisors of China Association for Public Companies since September, 2020. Mr. Xu graduated from Central TV University (Tianjin) in August 1985. In June 1997, he obtained the master degree in economics from the Department of International Economics of Nankai University. In June 2013, he obtained the EMBA degree from Shanghai Advanced Institute of Finance of Shanghai Jiao Tong University. Mr. Xu is a qualified Senior Economist and Senior Political Official.

Mr. Wen Feng (溫鋒) currently serves as a supervisor of the Company. His main work experience includes: Mr. Wen had served as a director, deputy general manager and secretary to the board of directors of Sisha Co., Ltd.* (四砂股份有限公司) from September 1998 to June 2000; principal of the direct investment business preparation team of China Merchants Securities Co., Ltd. (a company listed on Hong Kong Stock Exchange, stock code: 6099; and a company listed on Shanghai Stock Exchange, stock code: 600999) from December 2006 to July 2009; general manager of China Merchants Zhiyuan Capital Investment Co., Ltd.* (招商致遠資本投資有限公司) from August 2009

to May 2013. Mr. Wen has been the general manager of Ganzhou Merchants Zhiyuan No.1 Equity Investment Management Co., Ltd.* (贛州招商致遠壹號股權投資管理有限公司) since June 2013, the executive partner representative of Ganzhou Merchants Zhiyuan No.1 Equity Investment Partners Inc. (limited partnership)* (贛州招商致遠壹號股權投資合夥企業（有限合夥）) since June 2013, the executive partner representative of Ganzhou Yishen Investment Partners Inc. (limited partnership)* (贛州壹申投資合夥企業（有限合夥）) since November 2013, supervisor of Shenwan Hongyuan Securities Co., Ltd. since January 2015, supervisor of Shenwan Hongyuan Group Co., Ltd. since February 2015, general manager of Chizhou CMS Zhong An Equity Investment Management Co., Ltd.* (池州中安招商股權投資管理有限公司) since November 2015, executive partner representative of Chizhou CMS Zhong An Equity Investment Partners Inc. (limited partnership)* (池州中安招商股權投資合夥企業（有限合夥）) since November 2015, supervisor of Taikang Insurance Group Inc. since September 2018, and director of Shanghai Dobe Cultural & Creative Industry Development (Group) Co., Ltd.* (上海德必文化創意產業發展（集團）股份有限公司) since September 2018. Mr. Wen obtained the bachelor's degree in economics from Xiamen University in July 1990 majoring in accounting and the MBA degree from China Europe International Business School in September 2007.

Mr. Gong Bo (龔波) currently serves as a supervisor of Shenwan Hongyuan Group Co., Ltd.. His main work experience includes: Mr. Gong had served as staff of the supply and distribution division of Yiwu Petroleum Pump Plant* (義烏市石油油泵廠) from September 1988 to October 1991; section member of Yiwu Foreign Economy and Trade Commission from October 1991 to October 1997; head of the Hangzhou Office of Zhejiang China Commodities City Group Co., Ltd * (浙江中國小商品城集團股份有限公司) (a company listed on Shanghai Stock Exchange, stock code: 600415) from October 1997 to October 2004; manager of the securities department of Zhejiang China Commodities City Group Co., Ltd from October 2004 to April 2012. He held the position of general manager of Huishang Investment Management Branch* (惠商投資管理分公司) of Zhejiang China Commodities City Group Co., Ltd. from April 2012 to May 2019. He was a supervisor of Shenyin & Wanguo Securities Co., Ltd. from December 2012 to January 2015. Besides, Mr. Gong has served as the general manager of Yiwu Huishang Zijing Equity Investment Company Limited* (義烏惠商紫荊股權投資有限公司) from April 2014 to May 2019, director of Mashang Consumer Finance Co., Ltd. from April 2015 to October 2017, and supervisor of Shenwan Hongyuan Securities Co., Ltd. and supervisor of Shenwan Hongyuan Group Co., Ltd. since January 2015. He served as a director of Zhejiang Chouzhou Financial Leasing Co., Ltd. from June 2016 to May 2019, a director of Yiwu Huishang Zijing Capital Management Company Limited* (義烏惠商紫荊資本管理有限公司) from August 2016 to May 2019, and a director of Yiwu China Commodities City Investment Management Co., Ltd.* (義烏中國小商品城投資管理有限公司) from May 2017 to May 2019. He has worked at Yiwu China Commodities City Financial Holdings Co., Ltd. since January, 2020. Mr. Gong obtained the bachelor's degree of engineering in science of metallic materials and engineering of Zhejiang University in July 1988, and the MBA degree from Macau University of Science and Technology in January 2006.

Mr. Wei Yong (衛勇) currently serves as a supervisor of Shenwan Hongyuan Group Co., Ltd.. His main work experience includes: Mr. Wei had successively served as deputy section chief, section chief and researcher (deputy-director level) of the comprehensive affairs division, and deputy director of the economy division of the Research Office of CPC Shanghai Committee from March 1996 to October 2003; special officer of the strategy committee under the board of directors of Shanghai Automotive Industry Corporation (Group) from October 2003 to December 2004; deputy head of the president

office, executive director of the capital operation department, securities business representative and director of the board of directors office of SAIC Motor Corporation Limited (a company listed on Shanghai Stock Exchange, stock code: 600104) from December 2004 to August 2015; director of the board of directors office, executive director of the securities business department and representative of securities business of SAIC Motor Corporation Limited from August 2015 to October 2016; the general manager of the financial business department and general manager of the securities business department of SAIC Motor Corporation Limited from October 2016 to August 2019; secretary of the board of directors of SAIC Motor Corporation Limited from June 2018 to July 2019. He has held the positions of director of Sailing Capital International (Shanghai) Co., Ltd. since March 2012; director of SAIC Venture Capital Corporation* (上海汽車創業投資有限公司) and SAIC Equity Investment Company Limited* (上海汽車集團股權投資有限公司) since September 2014; supervisor of Shenwan Hongyuan Group Co., Ltd. since September 2016; acting chief financial officer of SAIC Motor Corporation Limited, director of SAIC Finance Corporation Limited* (上海汽車集團財務有限責任公司), chairman of the board of directors of SAIC Insurance Sales Company Limited* (上海汽車集團保險銷售有限公司), chairman of the board of directors of SAICGMAC* (上海通用汽車金融有限責任公司), and director and general manager of SAIC Motor HK Investment Limited (上海汽車香港投資有限公司) since October 2016 until now; director of Shanghai Chexiangjia Automotive Technology Service Co., Ltd.* (上海車享家汽車科技服務有限公司), supervisor of CATL-SAIC Motor Power Battery Co., Ltd.* (時代上汽動力電池有限公司) since June 2017 until now; chairman of board of directors of SAIC HK International Finance Limited since June 2020 until now; a supervisor of IM Motors Technology Co., Ltd. since November 2020 until now; and vice president of SAIC Motor Corporation Limited since July 2019 until now. Mr. Wei obtained the bachelor's degree of economics from School of Finance of Shanghai University of Finance and Economics in June 1993 majoring in insurance and the master's degree of economics from Shanghai University of Finance and Economics in December 1995 majoring in money and banking.

Mr. Huang Qi (黃琦) currently serves as an employee representative supervisor of Shenwan Hongyuan Group Co., Ltd.. His main work experience includes: Mr. Huang had served as deputy director of the propaganda department, deputy director of office and office director of the Planning and Design Institute of Coal Industry* (煤炭工業規劃設計總院) from August 1986 to January 1998; office director of Beijing Coal Design Institute* (北京煤炭設計研究院) from February 1998 to January 2000; director of the human resources division of China Coal International Engineering Design Research Institute* (中煤國際工程設計研究總院) from February 2000 to February 2004; general manager of the human resources headquarter, director of the supervision office and director of the Party Committee organization department of Hong Yuan Securities Co., Ltd. successively from August 2004 to February 2011; vice chairman of the board of directors of Hongyuan Futures Co., Ltd. from March 2011 to November 2017; director of the general manager office of Hong Yuan Securities Co., Ltd. from June 2013 to April 2015. He has been director of the general manager office of Shenwan Hongyuan Group Co., Ltd. since April 2015, employee representative supervisor of Shenwan Hongyuan Group Co., Ltd. since May 2015 and general manager of the Beijing Branch of Shenwan Hongyuan Group Co., Ltd. since June 2017. Mr. Huang obtained the bachelor's degree of engineering from China Institute of Mining and Technology* (中國礦業學院, now known as China University of Mining and Technology) in July 1986 majoring in mining machinery design, and the master's degree of economics from Nankai University in June 2004 majoring in world economy.

Mr. Wang Yanyang (王艷陽) currently serves as an employee representative supervisor of Shenwan Hongyuan Group Co., Ltd.. His main work experience includes: Mr. Wang had served as a staff in the finance division of Beijing Urban Construction Archives* (北京市城建檔案館) from July 1994 to December 1996; staff in the finance division of trust and securities business at headquarter of the China Construction Bank* (中國建設銀行總行) from January 1997 to March 1998; deputy manager of the finance department of Xinjiang Hongyuan Trust Investment Co., Ltd.* (新疆宏源信託投資股份有限公司) from July 1997 to March 1998; manager of the finance department of the Beijing Office, manager of the risk control division of securities investment department, manager of the risk control division of the institutional management headquarter and deputy general manager of the Guilin Branch of Hong Yuan Securities Co., Ltd. from March 1998 to June 2002; deputy general manager of the Beijing Beiwa Road Securities Branch of Hong Yuan Securities Co., Ltd. from June 2002 to June 2008; deputy general manager of the audit headquarter of Hong Yuan Securities Co., Ltd. from June 2008 to October 2010; general manager of the Beijing Finance Street Securities Branch of Hong Yuan Securities Co., Ltd. from November 2010 to March 2012; general manager of the investigation and audit department of Hong Yuan Securities Co., Ltd. from March 2012 to June 2015; joint general manager of the investigation and audit headquarter of Shenwan Hongyuan Securities Co., Ltd. from June 2015 to April 2016. He has been general manager of the investigation and audit department of Shenwan Hongyuan Group Co., Ltd. since April 2016 until now, employee representative supervisor of Shenwan Hongyuan Group Co., Ltd. since May 2016 until now, supervisor of Shenwan Hongyuan Investment Co., Ltd.* (申萬宏源投資有限責任公司) since November 2017, supervisor of Hongyuan Huizhi Investment Co., Ltd.* (宏源匯智投資有限公司) since December 2017 and chairman of the board of supervisors of Xinjiang Tianshan Industrial Investment Fund Management Co., Ltd. (新疆天山產業投資基金管理有限公司) since June, 2020 until now. Mr. Wang obtained a bachelor's degree in engineering from Shenyang University of Technology in July 1994 majoring in accounting.

Mr. Xie Kun (謝鯤) currently serves as an employee representative supervisor of Shenwan Hongyuan Group Co., Ltd.. His main work experience includes: Mr. Xie had served as a staff in the legal affairs department of the Shanghai management headquarter of Hengtai Securities Limited from January 2004 to May 2007; senior manager of the risk management department of Hong Yuan Securities Co., Ltd. from May 2007 to December 2007; senior manager of the legal and compliance department of Hong Yuan Securities Co., Ltd. from January 2008 to April 2010; assistant to general manager of legal and compliance headquarter of Hong Yuan Securities Co., Ltd. from April 2010 to September 2012; deputy general manager of the legal and compliance department of Hong Yuan Securities Co., Ltd. from September 2012 to May 2015; general manager of the legal and risk control department of Shenwan Hongyuan Group Co., Ltd. from May 2015 to February 2017. He has been employee representative supervisor of Shenwan Hongyuan Group Co., Ltd. since May 2015. He served as deputy director (general manager of the headquarter level) of the compliance and risk management center and general manager of the legal and compliance headquarter of Shenwan Hongyuan Securities Co., Ltd. from February 2017 to May 2019 and the general manager of the internal review and appraisal headquarter and a manager of the review and appraisal department of Shenwan Hongyuan Securities Co., Ltd. from May 2019 to March 2020. He has been the general manager of the legal risk control department of Shenwan Hongyuan Group Co., Ltd. since March 2020, the general manager of the investment management department of Shenwan Hongyuan Group Co., Ltd. since May, 2020, director of Xinjiang Tianshan Industrial Investment Fund Management Co., Ltd. (新疆天山產業投資基金管理有限公司) since June, 2020, and director of Hongyuan Huifu Capital Co., Ltd. since July, 2020. Mr. Xie obtained

a bachelor's degree in economics from Chongqing College of Commerce* (重慶商學院, now known as Chongqing Technology and Business University) in July 2000 majoring in trade and economy, and a master's degree in Laws from East China College of Political Science and Law* (華東政法學院, now known as East China University of Political Science and Law) in June 2003 majoring in law.

Mr. An Gejun (安歌軍) currently serves as an employee representative supervisor of Shenwan Hongyuan Group Co., Ltd.. His main work experience includes: Mr. An had served as customer manager of Dewai Street Branch of Beijing Branch of Guotai Junan Securities Co., Ltd. (a company listed on Hong Kong Stock Exchange, stock code: 2611; a company listed on Shanghai Stock Exchange, stock code: 601211) from December 2001 to November 2002; senior business manager of investment management department and asset management department of China National Environmental Protection Corporation* (中國環境保護公司) from November 2002 to November 2003; business manager of China Shenhua Energy Company Limited (a company listed on Shanghai Stock Exchange, stock code: 601088; and a company listed on Hong Kong Stock Exchange, stock code: 1088) from December 2003 to September 2008; director, secretary to the board of directors and assistant to general manager of Shenhua Australia Holdings Pty Limited* (神華澳大利亞控股有限公司) from September 2008 to March 2013; deputy general manager of the Beijing Branch of Shenyin & Wanguo Securities Co., Ltd. and deputy general manager of the Beijing Branch of Shenwan Hongyuan Securities Co., Ltd. from March 2013 to April 2015 successively; and the deputy general manager of Shenwan Hongyuan Industrial Investment Management Company Limited* (申萬宏源產業投資管理有限責任公司) from April 2015 to May, 2020. He has been an employee representative supervisor of Shenwan Hongyuan Group Co., Ltd. since May 2015. He has worked at Shenwan Hongyuan Industrial Investment Management Company Limited since May, 2020. Mr. An graduated from Harbin Ship Engineering Institute* (哈爾濱船舶工程學院) in July 1987 majoring in chemical engineering & machinery, obtained the master's degree from Shanghai Jiao Tong University in March 2001 majoring in philosophy of scientific technology. He also graduated as doctoral candidate from Northwest University in June 2012 majoring in world economy.

3. Main work experience of senior management

Mr. Huang Hao (黃昊) currently serves the general manager of Shenwan Hongyuan Group Co., Ltd.. His main work experience includes: he successively served as a director staff member, an assistant researcher and concurrently served as the Youth League secretary of the policy research division in the State Administration of Foreign Exchange from July 1999 to February 2005; successively served as the deputy director of the capital market department, the deputy director and division director of the equity management division of the China Development Bank of the general department, the managing director and deputy director of securities institution management department and the deputy director of the securities institution management department/insurance institution management department, the deputy director of the leading group office of the directly managed enterprise/equity management department II and the director of the general management department of Central Huijin Investment Ltd. from February 2005 to November 2020; served as a director of Guotai Junan Securities Co., Ltd. from September 2005 to January 2013; served as a director of China Development Bank and a director of China Development Bank Capital Co., Ltd. from April 2012 to October 2017; and served as a non-executive director of China International Capital Corporation Limited from February 2020 to December 2020. He has been the general manager of Shenwan Hongyuan Group Co., Ltd. since December 2020. Mr. Huang graduated from Zhejiang University with a bachelor's degree in economics

in July 1996; he graduated from Tsinghua University with a master's degree in management in May 1999; and he obtained a doctor's degree in economics from the Finance Research Institute of the People's Bank of China in July 2011.

Ms. Ren Quansheng (任全勝) currently serves the deputy general manager, chief financial officer of Shenwan Hongyuan Group Co., Ltd.. Her main work experience includes: she served as a clerk and judge of the People's Court of Chaoyang District of Beijing from August 1992 to June 2000; served as a judge of Beijing Municipal High People's Court from June 2000 to September 2008; successively served as a deputy general manager and the general manager of the legal and compliance department of Hongyuan Securities Co., Ltd. from September 2008 to December 2012; served as the compliance officer of Hongyuan Securities Co., Ltd. from December 2012 to January 2015; served as a deputy general manager of Shenwan Hongyuan Group Co., Ltd. from January 2015 to July 2015; served as a deputy general manager of Shenwan Hongyuan Securities Co., Ltd. from August 2015 to May 2020, during which concurrently served as the compliance director of Shenwan Hongyuan Securities Co., Ltd. from August 2015 to April 2020 and the chief risk officer of Shenwan Hongyuan Securities Co., Ltd. from November 2016 to December 2017, successively took in charge of compliance, risk management, investigation and audit; and has served as a deputy general manager of Shenwan Hongyuan Group Co., Ltd. since May 2020 and as chief financial officer since December 2020. She served as secretary to the Board of Directors (acting) of Shenwan Hongyuan Group Co., Ltd. from December 2020 to March 2021. Ms. Ren Quansheng graduated from China University of Political Science and Law with a bachelor's degree in law in July 1998; and she graduated from Renmin University of China with a master's degree in law in July 2003.

Mr. Liu Yue (劉躍) currently serves as the assistant to general manager of Shenwan Hongyuan Group Co., Ltd.. His main work experience includes: Mr. Liu had served as an engineer of Harbin Power Station Import and Export Corporation* (哈爾濱電站進出口公司) from March 1992 to February 1994; deputy manager (person in charge) of the Securities Branch of Beijing Jinsong of Shenyin & Wanguo Securities Co., Ltd. from September 2000 to March 2003; manager of the Securities Branch of Beijing Jinsong Ninth District of Shenyin & Wanguo Securities Co., Ltd. from March 2003 to January 2007; manager of the Securities Business Branch of Beijing Anding Road of Shenyin & Wanguo Securities Co., Ltd. from January 2007 to June 2010; deputy general manager and general manager of Beijing headquarter of Shenyin & Wanguo Securities Co., Ltd. from April 2007 to December 2009 successively; general manager of Beijing Branch of Shenyin & Wanguo Securities Co., Ltd. from December 2009 to January 2015; chief market officer of Shenyin & Wanguo Securities Co., Ltd. from November 2011 to January 2015; general manager of Beijing Branch of Shenwan Hongyuan Securities Co., Ltd. from January 2015 to June 2016; assistant to general manager of Shenwan Hongyuan Securities Co., Ltd. from September 2015 to August 2016. He has held the positions of executive director of Shenwan Hongyuan Industrial Investment Management Company Limited since December 2016 until now, and assistant to general manager of Shenwan Hongyuan Group Co., Ltd. since August 2016 until now. Mr. Liu obtained the bachelor's degree in industry management engineering from Harbin Institute of Technology in July 1989, the master's degree in technology economics from Harbin Institute of Technology in March 1992, and the EMBA degree from Peking University in July 2012.

In the last three years, none of the current and resigned directors, supervisors and senior management during the Reporting Period of Shenwan Hongyuan Group Co., Ltd. was subject to penalty imposed by any securities regulatory authorities.

(III) Changes in the directors, supervisors and senior management of the Company

Name	Position	Type	Date	Reasons
Xu Zhibin	Executive Director	Appointed	June 23, 2020	Elected at the general meeting
Zhang Yigang	Non-executive Director	Appointed	June 23, 2020	Elected at the general meeting
Yeung Siuman Shirley	Independent non-executive Director	Appointed	November 5, 2020	Elected at the general meeting
Huang Hao	General manager	Appointed	December 18, 2020	Appointed by the Board of Directors
Ren Quansheng	Deputy general manager	Appointed	May 8, 2020 December 18, 2020	Appointed by the Board of Directors
	Chief financial officer Secretary to the Board of Directors (acting)		From December 18, 2020 to March 15, 2021	
Xu Liang	Secretary to the Board of Directors	Appointed	March 15, 2021	Appointed by the Board of Directors
Xu Zhibin	Executive Director, general manager	Resigned	December 18, 2020	Work arrangements
Wang Fengchao	Non-executive Director	Resigned	June 22, 2020	Work arrangements
Yang Qiumei	Independent non-executive Director	Resigned	November 5, 2020	Intention to devote more time and place greater emphasis on her family
Yang Changyun	Deputy general manager, chief financial officer and secretary to the Board of Directors	Resigned	December 18, 2020	Personal development

1. Changes in Directors of the Company

(1) On November 29, 2019, the Company held the 47th meeting of the fourth session of the Board of Directors, nominated Mr. Xu Zhibin as the candidate of non-independent director of the fourth session of the Board of Directors, and submitted the proposal to the general meeting of the Company for election.

On April 29, 2020, the Company held the 51st meeting of the fourth session of the Board of Directors, nominated Mr. Zhang Yigang as the candidate of non-independent director of the fourth session of the Board of Directors, and submitted the proposal to the general meeting of the Company for election.

On June 23, 2020, the Company convened the 2019 annual general meeting, at which Mr. Xu Zhibin and Mr. Zhang Yigang were elected as non-independent directors of the fourth session of the Board of Directors.

(2) On September 28, 2020, the Company held the 54th meeting of the fourth session of the Board of Directors, nominated Ms. Yeung Siuman Shirley as the candidate of independent non-executive director of the fourth session of the Board of Directors and submitted the proposal to the general meeting of the Company for election.

On November 5, 2020, the Company held the first extraordinary general meeting for the year 2020, at which Ms. Yeung Siuman Shirley was elected as an independent non-executive director of the fourth session of the Board of Directors of the Company.

(3) On November 3, 2020, Ms. Yang Qiumei, being an independent non-executive director of the Company, submitted resignation in writing to the Board of Directors of the Company. Due to her intention to devote more time and place greater emphasis on her family affairs, Ms. Yang Qiumei resigned her positions as an independent non-executive director of the fourth session of the Board of Directors and a member of the Remuneration and Nomination Committee of the Board of Directors of the Company, and her resignation took effect from the date on which the new independent non-executive director was elected at the general meeting of the Company (November 5, 2020).

(4) On December 18, 2020, Mr. Xu Zhibin, being a director and the general manager of the Company, submitted resignation in writing to the Board of Directors of the Company. Due to work arrangements, Mr. Xu Zhibin resigned his positions as a director of the fourth session of the Board of Directors and the general manager. On the same date, the Proposal on Mr. Xu Zhibin's Cessation to Serve as the General Manager of the Company was considered and approved at the 56th meeting of the fourth session of the Board of Directors and Mr. Xu Zhibin was approved to cease to serve as the general manager of the Company.

(5) On June 22, 2020, Mr. Wang Fengchao, being a non-executive director of the Company, submitted resignation in writing to the Board of Directors of the Company. Due to work arrangements, Mr. Wang Fengchao resigned his position as a director of the fourth session of the Board of Directors. The resignation of Mr. Wang Fengchao has become effective upon delivery of resignation report to the Board of Directors.

2. Changes in supervisors of the Company

During the Reporting Period, there were no changes in supervisors of the Company.

3. Changes in senior management of the Company

(1) For the changes of positions of Mr. Xu Zhibin, being a director and the general manager of the Company, please refer to the "Changes in Directors of the Company" in this section.

(2) On May 8, 2020, Ms. Ren Quansheng was appointed as the deputy general manager of the Company at the 52nd meeting of the fourth session of the Board of Directors of the Company. On December 18, 2020, Ms. Ren Quansheng was appointed as the chief financial officer and secretary to the Board of Directors (acting) of the Company at the 56th meeting of the fourth session of the Board of Directors of the Company.

(3) On December 18, 2020, Mr. Huang Hao was elected as the general manager of the Company and it was approved to nominate Mr. Huang Hao as a candidate for director (executive Director) of the fourth session of the Board of Directors at the 56th meeting of the fourth session of the Board of Directors of the Company.

(4) On December 18, 2020, Mr. Yang Changyun, being the deputy general manager, chief financial officer and secretary to the Board of Directors of the Company, submitted resignation in writing to the Board of Directors of the Company. Due to personal development, Mr. Yang Changyun resigned his positions as deputy general manager, chief financial officer and secretary to the Board of Directors of the Company, as well as his positions as the joint company secretary and authorised representative of the Company. Mr. Yang Changyun's resignation of the abovementioned positions was considered and approved at the 56th meeting of the fourth session of the Board of Directors of the Company convened on December 18, 2020. Ms. Ren Quansheng, being the deputy general manager and chief financial officer of the Company, performed the duties as the secretary to the Board of Directors from December 18, 2020 to March 15, 2021. On March 15, 2021, the 59th meeting of the fourth session of the Board of Directors of the Company considered and approved the Resolution Regarding the Appointment of the Secretary to the Board of Directors, pursuant to which Mr. Xu Liang was approved to serve as the secretary to the Board of Directors with effect from the date of consideration and approval by the Board of Directors.

(IV) Remuneration of directors, supervisors and senior management

1. Basic system and decision-making procedures of remuneration management

According to the Articles of Association, the general meeting determines matters on the remunerations of relevant directors and supervisors; the Board of Directors determines matters on the remunerations, rewards and penalties of senior management of the Company including general manager, deputy general manager, chief financial officer, and secretary to the Board of Directors.

2. Assessment mechanism for senior management during the Reporting Period, and establishment and implementation of incentive mechanism

For the assessment and evaluation of the Company's senior management, the Party Committee of China Investment Corporation, the Party Committee of the Company and the Board of Directors shall implement comprehensive evaluation in accordance with the plan of the Company on comprehensive assessment and evaluation of leading group and leaders. The assessment results shall be an important basis for remuneration incentives for senior management. The Remuneration and Nomination Committee of the Board of Directors considers the assessment and remuneration management system for senior management and makes recommendations to the Board of Directors. The Board of Directors of the Company considers the matters including assessment of senior management, remuneration management system, and remuneration distribution. The remuneration distribution for senior management of the Company is comprehensively determined based on contributions on the job, personal assessment results, etc. after giving consideration to the national compensation policies and market competition. The remuneration distribution plan for senior management shall be considered and determined by the Board of Directors.

3. Distribution of total annual remuneration among directors, supervisors and senior management

During the Reporting Period, the total amount of remuneration before tax received by the directors, supervisors and senior management of the Company amounted to RMB26.595 million. In particular, the remuneration before tax of directors, supervisors and senior management of the Company accounts for 35.65%, 38.76% and 25.59% of the total amount of remuneration, respectively.

4. Actual payment of remuneration to directors, supervisors and senior management: For details, please refer to the "Particulars of Directors, Supervisors and Senior Management".

II. COMPOSITION OF THE SPECIAL COMMITTEES OF THE BOARD OF DIRECTORS DURING THE REPORTING PERIOD

Strategy Committee of the Board of Directors

Chairman: Chu Xiaoming; member: Chen Jianmin

Remuneration and Nomination Committee of the Board of Directors

Chairman: Ye Mei; members: Chu Xiaoming, Xie Rong, Yang Qiumei (former member)

Audit Committee of the Board of Directors

Chairman: Xie Rong; members: Ye Mei, Huang Danhan, Wang Honggang

Risk Control Committee of the Board of Directors

Chairman: Chen Jianmin; members: Huang Danhan, Wang Honggang

III. SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

The Company has entered into Service Contracts for Directors and Service Contracts for Supervisors with each of the 11 Directors of the current fourth session of the Board of Directors and each of the 8 Supervisors of the current fourth session of the Board of Supervisors. The term of office of the Directors and Supervisors was effective from the date of approval by the general meeting until the expiry date of the term of office for the fourth session of the Board of Directors and the fourth session of the Board of Supervisors. The Service Contracts for Directors and Service Contracts for Supervisors provide the agreed terms on the duties and responsibilities, term of office and remuneration of the directors and supervisors during their term of office. Save as disclosed above, the Company has not entered, and does not propose to enter, into any service contract with any director or supervisor of the Company in their respective capacities as directors/supervisors (except for contracts expiring within one year or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

IV. INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

Please refer to "IV. Interests and Short Positions of Directors, Supervisors and Chief Executives in the Shares, Underlying Shares or Debentures of the Company and Associated Corporations" under Section VI "Changes in Shares and Shareholders" in this report.

V. SHARE PURCHASE RIGHTS OF DIRECTORS AND SUPERVISORS

Save as disclosed above, none of the Company or any of its subsidiaries has participated at any time during the year in any arrangement through which the directors and supervisors of the Company may benefit by purchasing shares or bonds of the Company or any other entities.

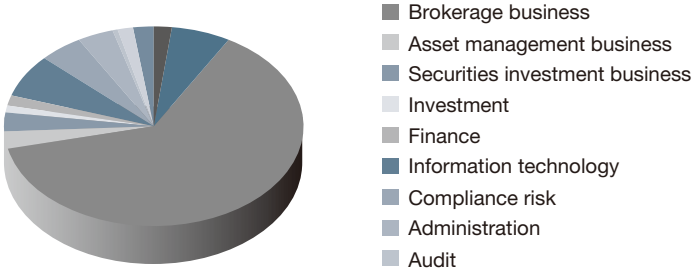
VI. EMPLOYEES OF THE COMPANY

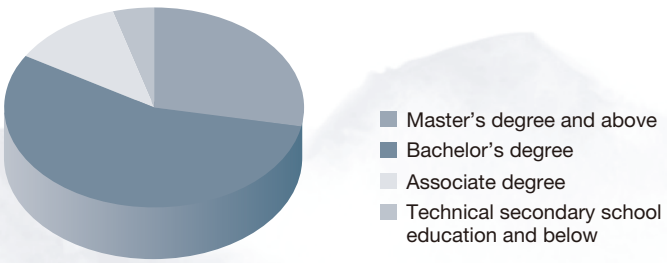
(I) Employees of the Company

As of December 31, 2020, the Group had a total of 11,707 employees (including 1,957 domestic brokerage agents and 123 overseas brokerage agents), of which Shenwan Hongyuan Group had 106 employees, Shenwan Hongyuan Securities and its subsidiaries had 11,031 employees (including 8,202 employees of Shenwan Hongyuan Securities and a total of 2,829 employees of the subsidiaries of Shenwan Hongyuan Securities), and other subsidiaries had total of 570 employees.

Personnel structure		Number (Person)	Percentage in the total number of employees (%)
Professional structure and distribution of employees	Research	232	1.98%
	Investment banking	750	6.41%
	Brokerage business	7,374	62.99%
	Asset management business	333	2.84%
	Securities investment business	377	3.22%
	Investment	107	0.91%
	Finance	209	1.79%
	Information technology	807	6.89%
	Compliance risk	564	4.82%
	Administration	449	3.84%
	Audit	80	0.68%
	Settlement	193	1.65%
	Others	232	1.98%
Education level (by education background)	Master's degree and above	3,302	28.20%
	Bachelor's degree	6,515	55.65%
	Associate degree	1,375	11.75%
	Technical secondary school education and below	515	4.40%

Statistical graph of composition





(II) Remuneration policy for employees

With the focus on a remuneration distribution system that combines security and incentives, the Company has established its remuneration system with both internal fairness and external competitiveness according to the business development strategy, as well as the principal of marketization. The remuneration provided by the Company includes basic remuneration, annual performance-based remuneration, benefits, special allowances, long-term incentives, etc. Based on the Company's ability to pay, the Company conducts overall management and control of labor costs, so that the growth of the Company's labor costs will effectively support operating performance and promote the Company's sustainable, stable and healthy development. In light of the differences in qualifications and abilities of employees, the Company has established a basic remuneration system for employees with job requirements and performance standards as the core, and directly links employees' compensation with the performance of the Company, departments and employees through performance evaluation, reflecting incentives orientation in line with responsibility, risk and return. Employees' remuneration and benefits are adjusted in a timely manner with reference to the Company's strategic positioning and actual ability to pay, as well as the average salary of the society and remuneration in the market.

(III) Training program

The Company strives to build a hierarchical and classified full-staff training system, gives full play to the role of the Company's Party school as the "main channel", and regards learning and implementing Xi Jinping's thoughts on socialism with Chinese characteristics in the new era as the primary task of training cadres at all levels and of all types. In 2020, centering on the Opinions on the Implementation of Cadre Education and Training for 2018-2022 and the annual training plan, the Company continued to operate and innovate training programs for cadres and employees of different levels and at different positions, based on the "navigation", "voyage" and "starting sailing" plans, with a view to creating distinctive training brands. Affected by the epidemic, the training was provided in a number of ways including the way in combination of online and offline training, live broadcast on learning platform, etc., to carry out thematic training with clear themes and rich content to support the Company's strategy and empower talent development.

(IV) Number of the retired employees for whom the Company is required to pay costs

As of December 31, 2020, there were 586 retired employees for whom the Company (including the parent company and wholly-owned subsidiaries) is required to pay costs.

Section VIII Corporate Governance

I. BASIC SITUATION OF THE CORPORATE GOVERNANCE

As an "A+H" listed company, the Company continuously adheres to scientific, rigorous and standard operation as its value. It has established and developed corporate governance structure, improved corporate governance mechanism in strict compliance with laws, regulations and regulatory documents applicable in places where the shares of the Company are listed. It has clarified the duties and powers in terms of decision, execution and supervision, established scientific decision-making procedures and rules of procedure, and optimized and improved the internal organizational structure and authorisation management mechanism. The general meeting, Board of Directors, Board of Supervisors and the management of the Company perform their respective duties, and have fully fulfilled their obligations and responsibilities. Further efforts were made to improve the compliance management organization structure and compliance operation of the Company has been continuously enhanced to ensure business development in a sustainable and normative manner.

The Company has continuously improved the systems and formulated the Articles of Association, the Rules of Procedure of the General Meeting, the Rules of Procedure of the Board of Directors, the Rules of Procedure of the Board of Supervisors, the Management Policy of Related Party Transactions, the Internal Control Policy, and the working rules of the committees of the Board of Directors based on the actual operation management of the Company, pursuant to relevant laws and regulations, such as the Company Law, the Securities Law and regulations of the places in which the shares of the Company are listed. During the Reporting Period, the Articles of Association and the Rules of Procedure of the General Meeting were further amended and improved in accordance with the Securities Law, the Official Reply of the State Council regarding Adjusting the Application of Provisions to Matters Including the Notice Period for Convention of Shareholders' Meetings by Overseas Listed Companies and other relevant regulations, laying a foundation for the compliance operations of the Company. During the Reporting Period, the Company met the requirements of relevant rules in strict accordance with the CG Code.

During the Reporting Period, the company held 2 general meetings, 9 meetings of the Board of Directors, 4 meetings of the Board of Supervisors, 6 meetings of the Audit Committee of the Board of Directors, 5 meetings of the Remuneration and Nomination Committee of the Board of Directors, and 2 meetings of the Risk Control Committee of the Board of Directors. The convening, proposal, holding, voting, and resolutions of the previous general meetings, meetings of the Board of Directors meetings of the Board of Supervisors, and meetings of the special committees under the Board of Directors were all in compliance with laws and regulations, normative documents, as well as the Articles of Association, the Rules of Procedure of the General Meeting, the Rules of Procedure of the Board of Directors, and the Rules of Procedure of the Board of Supervisors. Each of the Directors and Supervisors has performed its duties and obligations with diligence in accordance with laws and regulations, as well as the Articles of Association, and each of the independent Directors has considered the proposals and provided independent opinion with due care in accordance with the Working System for independent Directors, assuring the shareholders to exercise their rights under relevant laws, taking into sufficient account the interests of minority shareholders and making no detriment to the interests of minority shareholders.

II. INDEPENDENCE OF THE COMPANY FROM THE CONTROLLING SHAREHOLDER IN TERMS OF BUSINESS, PERSONNEL, ASSETS, ORGANISATION, FINANCE, ETC.

Shenwan Hongyuan Group is completely separated from the controlling shareholder in terms of business, personnel, assets, organization and finance, maintaining the integrity of the organization and independence of business. The Company has independent and complete business and independent operation capabilities, including independent operation, independent accounting, independent competition in the market, and independent assumption of responsibility and risk.

(I) Business independence: The Company's business is independent from the controlling shareholder and other enterprises controlled by it, and there is no obviously unfair related party transaction with the controlling shareholder and other enterprises controlled by it.

(II) Personnel independence: Senior management of the Company, including general manager, deputy general managers, chief financial officer, and secretary of the Board of Directors, does not hold any position in the controlling shareholder and other enterprises controlled by it, and does not receive any remuneration from the controlling shareholder and other enterprises controlled by it; also the financial personnel of the Company does not hold any concurrent positions in the controlling shareholder and other enterprises controlled by it.

(III) Asset independence: The Company independently and completely owns the business system and relevant assets related to operation, and is independent from the controlling shareholder and other enterprises controlled by it.

(IV) Organisation independence: The Company has established and improved its internal operation and management organisations, which independently exercise operation and management functions, and there is no confusion of organization with the controlling shareholder and other enterprises controlled by it.

(V) Financial independence: The Company has established an independent financial accounting system which can make financial decisions independently. It has a standardized financial accounting system and a financial management system for branches and subsidiaries; the issuer does not share bank accounts with the controlling shareholder and other enterprises controlled by it.

III. ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETINGS HELD DURING THE REPORTING PERIOD

(1) Shareholders and general meetings

The general meeting shall be the authority of power of the Company, through which the shareholders shall exercise their functions. The Articles of Association and the Rules of Procedure of the General Meetings have provided for the rights and obligations of shareholders, the authority of the general meetings, the convening, voting and resolutions of the general meetings, which ensure the standard operation of the general meetings and protect the interests of shareholders, especially those of the minority shareholders.

According to Article 79 of the Articles of Association, shareholder(s) severally or jointly holding 10% or above shares of the Company shall be entitled to request the Board to convene an extraordinary general meeting, and shall put forward such request to the Board in writing. The Board shall, pursuant to laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the proposal. If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the Board. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained. If the Board does not agree to hold the extraordinary general meeting or fails to give a reply within 10 days after receipt of the proposal, shareholder(s) severally or jointly holding 10% or above shares of the Company shall be entitled to propose to the Board of Supervisors to convene an extraordinary general meeting, and shall put forward such request to the Board of Supervisors in writing. If the Board of Supervisors agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after receipt of the said request. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained. In the case of failure to issue the notice for the general meeting within the term stipulated, the Board of Supervisors shall be deemed as failing to convene and preside over the general meeting. In that event, the shareholder(s) severally or jointly holding 10% or above shares of the Company for 90 consecutive days or above may convene and preside over such meeting by itself/themselves.

According to Article 84 of the Articles of Association, where the Company convenes a general meeting, the Board, the Board of Supervisors, and shareholder(s) severally or jointly holding more than 3% of the shares of the Company may make proposals to the Company. Shareholder(s) severally or jointly holding more than 3% of the shares of the Company may submit written provisional proposals to the convener 10 days before the convening of a general meeting. The convener shall serve a supplementary notice of the general meeting within two days after receipt of a provisional proposal, and announce the contents of the proposal. Otherwise, the convener shall not change the proposal set out in the notice of the general meeting or add any new proposal after the said notice announcement is served.

(II) General meetings held during the Reporting Period

Session of meeting	Convening date	Titles of resolutions of the meeting	Status of resolutions	Disclosure date and disclosure index
2019 annual general meeting	June 23, 2020	1. The Resolution Regarding Considering the 2019 Working Report of the Board of Directors of the Company	Approved	For details of the resolutions considered at the meeting, please refer to the relevant announcements disclosed by the Company in China Securities Journal, Securities Times and Shanghai Securities News, as well as the website of Cninfo at www.cninfo.com.cn on June 24, 2020 and the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk on June 23, 2020.
		2. The Resolution Regarding Considering the 2019 Working Report of the Board of Supervisors of the Company	Approved	
		3. The Resolution Regarding Considering the 2019 Annual Financial Report of the Company	Approved	
		4. The Resolution Regarding Considering the 2019 Profit Distribution Plan of the Company	Approved	
		5. The Resolution Regarding Considering the 2019 Annual Report of the Company	Approved	
		6. The Resolution Regarding the Estimated Ordinary Related Party Transactions for 2020	Approved	
		7. The Resolution Regarding the Amendments to the Annual Caps of Continuing Connected Transactions of the Company for 2020 and 2021	Approved	
		8. The Resolution Regarding the Re-appointment of Auditors of the Company for 2020	Approved	
		9. The Resolution Regarding the Amendments to the Articles of Association	Approved	
		10. The Resolution Regarding the Amendments to the Rules of Procedure of the General Meeting	Approved	

Session of meeting	Convening date	Titles of resolutions of the meeting	Status of resolutions	Disclosure date and disclosure index
2020 first extraordinary general meeting	November 5, 2020	1. The Resolution Regarding the Public Issuance of Corporate Bonds by Shenwan Hongyuan Group Co., Ltd.	Approved	For details of the resolutions considered at the meeting, please refer to the relevant announcements disclosed by the Company in China Securities Journal, Securities Times and Shanghai Securities News, as well as the website of Cninfo at www.cninfo.com.cn on November 6, 2020 and the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk on November 5, 2020.
		2. The Resolution Regarding Granting of General Mandate to the Board to Issue Additional A Shares and H Shares of the Company	Approved	
		3. The Resolution Regarding Considering the Plan on Authorisation to the Board by the General Meeting of Shenwan Hongyuan Group Co., Ltd. (2020)	Approved	
		4. The Resolution Regarding the Election of the Independent Non-executive Director	Approved	

As an A + H listed company, in order to ensure that the shareholders have the full right to know and to ensure that information disclosure is open, fair, and just, the Company has created conditions to further expand channels for communication with investors and continuously improved the quality of communication with investors. The Company has appointed the secretary of the Board of Directors and the Company secretary to be responsible for information disclosure. The securities representative and the office of the Board of Directors assist in information disclosure and maintenance of investor relations. The Company interacts and communicates with investors in a variety of forms, mainly including phone calls, emails, investor relations channel on the Company's website, the interaction platform of the Shenzhen Stock Exchange, site visits, attending investor presentations. Shareholders may make queries and express their views to the Board of Directors through the Company secretary and the office of the Board of Directors. Where appropriate, shareholders' inquiries and comments will be forwarded to the Board of Directors and/or the relevant special committees of the Board of Directors of the Company to address shareholders' questions, to ensure that shareholders, especially minority shareholders, can fully exercise their rights (for contact information of the Company, please refer to "II. Contact Persons and Contact Methods" in Section II in this report).

IV. MEETINGS OF THE BOARD OF DIRECTORS CONVENED DURING THE REPORTING PERIOD

(I) In respect of Directors, Board of Directors and the management

The existing Articles of Association and the Rules of Procedure of the Board of Directors have provided for the qualification, obligations and responsibilities of directors, the authority of the Board of Directors, the convening, voting and resolutions of the meeting of the Board of Directors, etc., which ensure the standard operation of the Board of Directors.

1. The composition of the Board of Directors

The Company appoints and replaces the directors strictly in accordance with the relevant regulations and the provisions of its Articles of Associations. The Board of Directors shall exercise its power and functions according to laws, ensuring that the convening, voting, resolutions of the meetings of the Board of Directors comply with the Company Law, the Articles of Association and other regulations. The Board of Directors of the Company currently comprises 11 directors, among which two are executive directors, five are non-executive directors and four are independent non-executive directors. The number of independent non-executive directors exceeds one-third of the total number of the Company's directors.

The directors shall be elected or replaced at the general meeting and their term of office shall be three years. The term of office of a director shall be calculated from the date upon which the director assumes office to the expiry of the current Board of Directors. If the term of office of a director expires but re-election is not made responsively, the said director shall continue fulfilling the duties as director pursuant to laws, administrative regulations, departmental rules and Articles of Association until a new director is elected. A director may serve consecutive terms if re-elected upon the expiry of his/her term. The duties of independent non-executive directors and other relevant matters shall be carried out according to the requirements of laws, administrative regulations, departmental rules and the listing rules of the place(s) where the shares of the Company are listed. Independent non-executive directors shall have independence as required under Rule 3.13 of the Hong Kong Listing Rules. As of the date of this annual report, the Company has received the written confirmation of independence from each of the independent non-executive Directors on their independence. The Company will continue to confirm their independent status, based on the aforesaid confirmation and the relevant information available to the Board of Directors.

2. Duties of the Board of Directors

The Board of Directors is the decision-maker of the Company, responsible for the general meeting of shareholders, and shall discharge their duties in accordance with laws, regulations, the Articles of Association of the Company and the listing rules of the place(s) where the shares of the Company are listed. The Board of Directors is responsible for the formulation of the Company's strategies and corporate governance policies, implementation of risk management and internal control system as well as corporate financial decisions.

According to the Articles of Association of the Company, the Board shall exercise the following functions and powers: to convene general meetings and report to general meetings; to execute resolutions of general meetings; to resolve on the Company's business plans and investment plans;

to prepare the annual financial budgets and final accounting plans of the Company; to prepare the profit distribution plan and loss makeup plan of the Company; to formulate the adjustment plan on profit distribution policy; to prepare plans for the increase or reduction of the registered capital of the Company, the issuance of bonds or other securities and the listing; to formulate plans for material acquisitions, purchase of shares of the Company, or merger, division, transformation and dissolution of the Company; to decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, asset write-off, disposal of non-performing assets, consigned financial management, connected transactions, etc. of the Company within the authority granted by the general meeting; to resolve on the establishment of internal management organizations and branches of the Company; to appoint or dismiss the Company's general manager and the secretary to the Board; to appoint or dismiss the Company's deputy general manager, chief financial officer and other senior management members as nominated by the general manager; and determine their remunerations and rewards and penalties; to set up the basic management system of the Company; to formulate the proposals for any amendment to the Articles of Association; to formulate the share incentive scheme; to prepare proposals regarding the amount and distribution method of the emoluments of directors for approval at the general meeting; to manage the disclosure of information by the Company; to propose to general meetings the appointment or change of the accounting firm acting as the auditors of the Company; to listen to the work report of the general manager of the Company and examine the general manager's work; to review major risk management policies such as risk appetite; to exercise other functions and powers as conferred by laws, administrative regulations, departmental rules, listing rules at the place(s) where the Company's shares are listed or the Articles of Association.

According to the resolution of the annual general meeting of the Company for the year of 2015, the Company purchased liability insurance in relation to directors, supervisors and senior management for its directors, supervisors, senior management and other relevant responsible personnel to provide protection for possible compensation liability in the course of performing their duties and to promote their full performance of duties.

3. Major initiatives on corporate governance by the Board of Directors

In terms of corporate governance, the Board of Directors or its subordinated specific committees shall perform the following responsibilities: to formulate and review the policy and practice of corporate governance, and make proposals to the Board; to review and monitor training and continued professional development of the directors and senior management personnel; to review and monitor the issuer's policies and practices on compliance with legal and regulatory requirements; and to review its compliance with the CG Code, and the disclosure in the Corporate Governance Report as set out in Appendix 14 therein. During the Reporting Period, the major initiatives carried out by the Board of the Directors of the Company on corporate governance are as follows:

(1) The Company further amended and consummated the Articles of Association and the Rules of Procedure of the General Meeting, pursuant to relevant regulations including the Securities Law and the Official Reply of the State Council regarding Adjusting the Application of Provisions to Matters Including the Notice Period for Convention of Shareholders' Meetings by Overseas Listed Companies (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》), laying a foundation for compliance operation.

(2) The Company provides professional training to its directors, supervisors and senior management of the Company for their performance of duties, provides them with the semi-monthly Newsletters for the Directors and Supervisors that are compiled by the Company, to improve their understanding of the securities industry and the Company's business and to facilitate its directors, supervisors and senior management of the Company for the performance of their duties.

Before the publication of this report, the Board of Directors has reviewed the Corporate Governance section herein (the corporate governance report), and the Board is of the view that this corporate governance report complies with the relevant requirements of the Hong Kong Listing Rules.

4. Chairman and general manager

The chairman of the Board is Mr. Chu Xiaoming, and the general manager of the Company is Mr. Huang Hao. The general manager is the legal representative of the Company. The Articles of Association, the Rules of Procedure of the Board of Directors and the Working Rules of the General Manager clearly stipulate the duties of the chairman and general manager.

Functions and powers of the chairman: to preside over general meetings, convene and preside over the Board meetings; to monitor and check the implementation of the Board's resolutions; to sign securities issued by the Company as required by the securities regulatory authorities at the place(s) where the shares of the Company are listed and by the stock exchanges; to exercise other functions and powers conferred by the Board.

The general manager shall be accountable to the Board and exercise the following functions and powers: to manage the daily business operations of the Company, organize and implement the Board's resolutions, and report to the Board; to organize and implement the Company's annual business plans and investment plans; to prepare the plan for the establishment of internal management of the Company; to prepare the plan of the basic management system of the Company; to formulate the Company's specific rules; to recommend the appointment or dismissal of deputy general manager, chief financial officer; to decide to appoint or dismiss executives other than those appointed or dismissed by the Board; to exercise other functions and powers conferred in the Articles of Association or by the Board.

5. The meetings of the Board of Directors during the Reporting Period

Session of meeting	Convening date	Titles of resolutions of the meeting	Status of resolutions	Disclosure date and disclosure index
The 49th meeting of the fourth session of the Board of Directors	March 13, 2020	1. The Resolution Regarding Consideration of the 2019 Work Plan on Internal Control Evaluation of the Company	Approved	For details of the resolutions considered at the meeting, please refer to the relevant announcements disclosed by the Company in China Securities Journal, Securities Times and Shanghai Securities News, as well as the website of Cninfo at www.cninfo.com.cn on March 14, 2020 and the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk on March 13, 2020.
		2. Consideration of the Resolution Regarding the Adjustment to the Authorisation by the Board of Directors of Shenwan Hongyuan Group Co., Ltd. to the General Manager for Investment with Self-owned Funds	Approved	
The 50th meeting of the fourth session of the Board of Directors	March 27, 2020	1. The Working Report of the Board of Directors	Approved	For details of the resolutions considered at the meeting, please refer to the relevant announcements disclosed by the Company in China Securities Journal, Securities Times and Shanghai Securities News, as well as the website of Cninfo at www.cninfo.com.cn on March 28, 2020 and the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk on March 27, 2020.
		2. The Working Report of the General Manager	Approved	
		3. The 2019 Annual Financial Report of the Company	Approved	
		4. The 2019 Profit Distribution Proposal of the Company	Approved	
		5. The 2019 Annual Report of the Company	Approved	
		6. The 2019 Internal Control Evaluation Report of the Company	Approved	
		7. The 2019 Social Responsibility Report/ Environmental, Social and Governance Report of the Company	Approved	
		8. The 2020 Business Plan of the Company	Approved	
		9. The Resolution Regarding the Estimated Ordinary Related Party Transactions for 2020	Approved	
		10. The Resolution Regarding the Amendments to the Annual Caps of Continuing Connected Transactions of the Company for 2020 and 2021	Approved	
		11. The Resolution Regarding the Re-appointment of Auditors of the Company for 2020	Approved	
		12. The Resolution Regarding Authorisation to Convene the 2019 Annual General Meeting	Approved	

Session of meeting	Convening date	Titles of resolutions of the meeting	Status of resolutions	Disclosure date and disclosure index
The 51st meeting of the fourth session of the Board of Directors	April 29, 2020	1. The 2019 First Quarterly Report of the Company	Approved	For details of the resolutions considered at the meeting, please refer to the relevant announcements disclosed by the Company in China Securities Journal, Securities Times and Shanghai Securities News, as well as the website of Cninfo at www.cninfo.com.cn on April 30, 2020 and the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk on April 29, 2020.
		2. The Resolution Regarding the Amendments to the Articles of Association of Shenwan Hongyuan Group Co., Ltd.	Approved	
		3. The Resolution Regarding the Amendments to the Rules of Procedure of the General Meeting of Shenwan Hongyuan Group Co., Ltd.	Approved	
		4. The Resolution Regarding the Nomination of Candidates for Non-independent Directors	Approved	
		5. The Resolution Regarding the Adjustment and Optimisation of the Organisation of Shenwan Hongyuan Group Co., Ltd.	Approved	
The 52nd meeting of the fourth session of the Board of Directors	May 8, 2020	The Resolution Regarding the Appointment of Mr. Ren Quansheng as the Deputy General Manager of the Company	Approved	For details of the resolutions considered at the meeting, please refer to the relevant announcements disclosed by the Company in China Securities Journal, Securities Times and Shanghai Securities News, as well as the website of Cninfo at www.cninfo.com.cn on May 9, 2020 and the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk on May 8, 2020.
The 53rd meeting of the fourth session of the Board of Directors	August 28, 2020	1. The 2020 Interim Report of the Company	Approved	For details of the resolutions considered at the meeting, please refer to the relevant announcements disclosed by the Company in China Securities Journal, Securities Times and Shanghai Securities News, as well as the website of Cninfo at www.cninfo.com.cn on August 29, 2020 and the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk on August 28, 2020.
		2. The Resolution Regarding the Public Issuance of Corporate Bonds of Shenwan Hongyuan Group Co., Ltd.	Approved	
		3. The Resolution Regarding Authorisation to Convene the 2020 First Extraordinary General Meeting	Approved	

Session of meeting	Convening date	Titles of resolutions of the meeting	Status of resolutions	Disclosure date and disclosure index
The 54th meeting of the fourth session of the Board of Directors	September 28, 2020	1. The Plan of Granting Authorisation by the General Meeting to the Board of Directors of the Company (2020)	Approved	For details of the resolutions considered at the meeting, please refer to the relevant announcements disclosed by the Company in China Securities Journal, Securities Times and Shanghai Securities News, as well as the website of Cninfo at www.cninfo.com.cn on September 29, 2020 and the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk on September 28, 2020.
		2. Consideration of the Plan of Granting Authorisation by the Board of Directors to the General Manager of the Company (2020)	Approved	
		3. Consideration of the Resolution Regarding Granting of General Mandate to the Board of Director to Issue Additional A Shares and H Shares of the Company	Approved	
		4. Consideration of the Plan of Granting Authorisation by the Shareholders to the Board of Directors of Shenwan Hongyuan Securities Co., Ltd. (Revised)	Approved	
		5. Consideration of the Resolution Regarding Nomination of Candidates for Independent Non-executive Directors	Approved	
The 55th meeting of the fourth session of the Board of Directors	October 30, 2020	The 2020 Third Quarterly Report of the Company	Approved	For details of the resolutions considered at the meeting, please refer to the relevant announcements disclosed by the Company in China Securities Journal, Securities Times and Shanghai Securities News, as well as the website of Cninfo at www.cninfo.com.cn on October 31, 2020 and the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk on October 30, 2020.

Session of meeting	Convening date	Titles of resolutions of the meeting	Status of resolutions	Disclosure date and disclosure index
The 56th meeting of the fourth session of the Board of Directors	December 18, 2020	1. The Resolution Regarding Mr. Xu Zhibin's Cessation to Serve as the General Manager of the Company	Approved	For details of the resolutions considered at the meeting, please refer to the relevant announcements disclosed by the Company in China Securities Journal, Securities Times and Shanghai Securities News, as well as the website of Cninfo at www.cninfo.com.cn on December 19, 2020 and the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk on December 18, 2020.
		2. Consideration of the Resolution Regarding the Appointment of the General Manager of the Company		
		3. Consideration of the Resolution Regarding the Nomination of Candidates for Directors	Approved	
		4. Consideration of the Resolution Regarding Mr. Yang Changyun's Resignation of His Positions as the Deputy General Manager, etc. of the Company	Approved	
		5. Consideration of the Resolution Regarding the Appointment of the Chief Finance Officer of the Company.	Approved	
		6. Consideration of the Resolution Regarding the Appointment of Authorised Representative	Approved	
		7. Consideration of the Resolution Regarding the Authorisation to Convene the Extraordinary General Meeting of the Company	Approved	
The 57th meeting of the fourth session of the Board of Directors	December 28, 2020	1. The Resolution Regarding Consideration of the Remuneration Settlement Plan for Senior Management of Shenwan Hongyuan for 2019.	Approved	For details of the resolutions considered at the meeting, please refer to the relevant announcements disclosed by the Company in China Securities Journal, Securities Times and Shanghai Securities News, as well as the website of Cninfo at www.cninfo.com.cn on December 29, 2020 and the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk on December 28, 2020.
		2. The Resolution Regarding the Increased in the Registered Capital of Shenwan Hongyuan Securities Co., Ltd.	Approved	

V. MEETINGS OF THE BOARD OF SUPERVISORS CONVENED DURING THE REPORTING PERIOD

1. In respect of supervisors and the Board of Supervisors

The Articles of Association and the Rules of Procedure of the Board of Supervisors have provided provisions regarding the composition, authority, the convening of the meeting, notice of meeting and minutes of the Board of Supervisors, etc., which ensure the standard operation of the Board of Supervisors.

2. The meetings of the Board of Supervisors held during the Reporting Period

Session of meeting	Convening date	Titles of resolutions of the meeting	Status of resolutions	Disclosure date and disclosure index
The 31st meeting of the fourth session of the Board of Supervisors	March 27, 2020	1. The Resolution Regarding the Consideration of the 2019 Annual Financial Report of Shenwan Hongyuan Group Co., Ltd.	Approved	For details of the resolutions considered at the meeting, please refer to the relevant announcements disclosed by the Company in China Securities Journal, Securities Times and Shanghai Securities News, as well as the website of Cninfo at www.cninfo.com.cn on March 28, 2020 and the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk on March 27, 2020.
		2. The Resolution Regarding the 2019 Profit Distribution Proposal of Shenwan Hongyuan Group Co., Ltd.	Approved	
		3. The Resolution Regarding the Consideration of the 2019 Internal Control Evaluation Report of Shenwan Hongyuan Group Co., Ltd.	Approved	
		4. The Resolution Regarding the Consideration of the 2019 Annual Report of Shenwan Hongyuan Group Co., Ltd.	Approved	
		5. The Resolution Regarding the Consideration of the 2019 Working Report of the Board of Supervisors of Shenwan Hongyuan Group Co., Ltd.	Approved	
The 32nd meeting of the fourth session of the Board of Supervisors	April 29, 2020	The Resolution Regarding the Consideration of the 2020 First Quarterly Report of Shenwan Hongyuan Group Co., Ltd.	Approved	Announcements of resolution were exempt from disclosure
The 33rd meeting of the fourth session of the Board of Supervisors	August 28, 2020	The Resolution Regarding the Consideration of the 2020 Interim Report of Shenwan Hongyuan Group Co., Ltd.	Approved	Announcements of resolution were exempt from disclosure
The 34th meeting of the fourth session of the Board of Supervisors	October 30, 2020	The Resolution Regarding the Consideration of the 2020 Third Quarterly Report of Shenwan Hongyuan Group Co., Ltd.	Approved	Announcements of resolution were exempt from disclosure

VI. PERFORMANCE OF DUTIES BY THE BOARD OF DIRECTORS AND DIRECTORS

(I) Composition of the Board of Directors

In accordance with the Articles of Association, as of the end of the Reporting Period, the Board of Directors of the Company comprises 11 directors, including two executive directors, five non-executive directors and four independent non-executive directors, of which Mr. Chu Xiaoming was the chairman and Mr. Yang Wenqing was the vice chairman. Details are as follows:

Executive directors: Mr. Chu Xiaoming and Mr. Yang Wenqing;

Non-executive directors: Mr. Chen Jianmin, Mr. Wang Honggang, Ms. Ge Rongrong, Mr. Ren Xiaotao and Mr. Zhang Yigang;

Independent non-executive directors: Ms. Ye Mei, Mr. Xie Rong, Ms. Huang Danhan and Ms. Yeung Siuman Shirley.

(II) Directors' attendance of the meetings of the Board of Directors and general meetings

Name of Director	Position	Number of meetings of the Board of Directors attended this year	Number of meetings of the Board of Directors attended in person	Number of meetings of the Board of Directors attended by proxy	Number of absence	Voting results	Number of on-site general meetings attended
Chu Xiaoming	Chairman, executive director	9	9	0	0	Approved	2
Yang Wenqing	Vice chairman, executive director	9	9	0	0	Approved	2
Xu Zhibin	Executive director, general manager (former member)	7	7	0	0	Approved	1
Chen Jianmin	Non-executive director	9	9	0	0	Approved	2
Wang Honggang	Non-executive director	9	9	0	0	Approved	0
Wang Fengchao	Non-executive director (former member)	4	4	0	0	Approved	0
Ge Rongrong	Non-executive director	9	9	0	0	Approved	2

Name of Director	Position	Number of meetings of the Board of Directors attended this year	Number of meetings of the Board of Directors attended in person	Number of meetings of the Board of Directors attended by proxy	Number of absence	Voting results	Number of on-site general meetings attended
Ren Xiaotao	Non-executive director	9	9	0	0	Approved	2
Zhang Yigang	Non-executive director	5	5	0	0	Approved	0
Ye Mei	Independent non-executive director	9	9	0	0	Approved	1
Xie Rong	Independent non-executive director	9	9	0	0	Approved	1
Huang Danhan	Independent non-executive director	9	9	0	0	Approved	1
Yang Qiumei	Independent non-executive director (former member)	7	7	0	0	Approved	0
Yeung Siuman Shirley	Independent non-executive director	2	2	0	0	Approved	0

(III) Performance of duties by independent non-executive directors

1. Positions of independent non-executive directors in 2020

During the Reporting Period, the Board of Directors of the Company comprises four independent non-executive directors, i.e. Ms. Ye Mei, Mr. Xie Rong, Ms. Huang Danhan, Ms. Yang Qiumei (former member) and Ms. Yeung Siuman Shirley.

2. Expression of independent opinions by independent non-executive directors

During the Reporting Period, the independent non-executive Directors abided by the relevant national laws, regulations and relevant provisions of the Articles of Association, and earnestly attended every meeting of the Board of Directors. They voted independently on all resolutions considered by the Board of Directors, and carefully discussed and raised independent opinions on relevant resolutions in accordance with regulatory requirements and the Independent Director System of the Company.

3. Objections raised by independent non-executive directors on relevant matters of the Company

During the Reporting Period, the independent non-executive directors did not raise any objections on the resolutions of the meetings of the Board of Directors in the year and other resolutions of the Company.

VII. TRAINING OF DIRECTORS

The Company attaches great importance to continuous training of directors, to ensure understanding of the Company's business operations and development by directors, and their comprehensive understanding of the applicable laws, decrees and regulations of the place where the shares of the Company are listed. During the Reporting Period, in addition to attending training organized by the regulatory bodies periodically, the Company's directors were also proactively involved in seminars and symposiums of trade associations and other self-regulatory organizations, which enabled the exchange of experience within the same industry to promote the capacity of fulfilling their duties. The Company prepares the Newsletters for Directors and Supervisors on a semi-monthly basis, assists directors in getting comprehensive knowledge of the latest regulatory regulations, industry development trends, and operations of the Company, and creates conditions and provides guarantee for the performance of duties by directors.

The details of directors' training in 2020 are as follows:

Name	Position	Training content
Chu Xiaoming	Executive director, chairman	1. On April 3, 2020, he attended the work meeting on supervision of listed companies in Xinjiang in 2020 held by Xinjiang Branch of CSRC; 2. From April 13 to April 30, 2020, he attended the Training of Revision and Interpretation of the New <Securities Law> as One of the Series of Online Trainings for Chairmen and General Managers of Listed Companies in 2020 held by China Association for Public Companies; 3. From May 14 to June 12, 2020, he attended the series of online trainings for Chairmen and General Managers of Listed Companies in 2020: Merger and Reorganization Policy and Regulatory Measures during the Epidemic of Listed Companies organized by China Association for Public Companies; 4. From May 26 to June 26, 2020, he attended the series of online trainings III for Chairmen and General Managers of Listed Companies in 2020: Supervision of Financial Information Disclosure by Listed Companies held by China Association for Public Companies; 5. On May 27, 2020, he attended the Training for Directors, Supervisors and Senior Management of Listed Companies in Xinjiang in 2020 provided by Xinjiang Listed Companies Association; 6. From June 15 to July 15, 2020, he attended the Series of Online Trainings for Chairmen and General Managers of Listed Companies in 2020: Performance of Duties According to Law to Promote Compliance Development held by China Association for Public Companies; 7. On July 6, 2020, he attended the training on Guidelines for the Board of Directors and Directors of the Hong Kong Stock Exchange organized by the Company; 8. From November 16 to November 27, 2020, he attended the 2020 follow-up training for securities practitioners held by China Association for Public Companies.

Name	Position	Training content
Yang Wenqing	Executive director, vice chairman	1. On May 8, 2020, he attended the online training on Precautions for the Performance of Duties by Directors, Supervisors and Senior Management of Listed Companies in the Context of the New Securities Law held by the Xinjiang Listed Companies Association; 2. On May 27, 2020, he attended the Training for Directors, Supervisors and Senior Management of Listed Companies in Xinjiang in 2020 provided by Xinjiang Listed Companies Association; 3. On July 6, 2020, he attended the training on Guidelines for the Board of Directors and Directors of the Hong Kong Stock Exchange organized by the Company; 4. On October 28, 2020, he attended the online special training on the new Securities Law organized by Xinjiang Listed Companies Association and Shenzhen Quanjing Network Co., Ltd.;
Chen Jianmin	Non-executive director	1. On July 6, 2020, he attended the training on Guidelines for the Board of Directors and Directors of the Hong Kong Stock Exchange organized by the Company; 2. On October 28, 2020, he attended the online special training on the new Securities Law organized by Xinjiang Listed Companies Association and Shenzhen Quanjing Network Co., Ltd.; 3. On November 18, 2020, he attended the Training on Improving the Special Meetings on Quality of Listed Companies and Training for Directors, Supervisors and Senior Management of Listed Companies in Xinjiang organized by Xinjiang Branch of CSRC;
Wang Honggang	Non-executive director	1. On May 27, 2020, he attended the Training for Directors, Supervisors and Senior Management of Listed Companies in Xinjiang in 2020 organized by Xinjiang Listed Companies Association; 2. On July 6, 2020, he attended the training on Guidelines for the Board of Directors and Directors of the Hong Kong Stock Exchange organized by the Company; 3. On October 28, 2020, he attended the online special training on the new Securities Law organized by Xinjiang Listed Companies Association and Shenzhen Quanjing Network Co., Ltd..

Name	Position	Training content
Ge Rongrong	Non-executive director	1. On May 27, 2020, she attended the Training for Directors, Supervisors and Senior Management of Listed Companies in Xinjiang in 2020 organized by Xinjiang Listed Companies Association; 2. On July 6, 2020, she attended the training on Guidelines for the Board of Directors and Directors of the Hong Kong Stock Exchange organized by the Company; 3. On October 28, 2020, she attended the online special training on the new Securities Law organized by Xinjiang Listed Companies Association and Shenzhen Quanjing Network Co., Ltd.; 4. On November 18, 2020, she attended the Training on Improving the Special Meetings on Quality of Listed Companies and Training for Directors, Supervisors and Senior Management of Listed Companies in Xinjiang organized by Xinjiang Branch of CSRC;
Ren Xiaotao	Non-executive director	1. On May 27, 2020, he attended the Training for Directors, Supervisors and Senior Management of Listed Companies in Xinjiang in 2020 organized by Xinjiang Listed Companies Association; 2. From June 5 to June 15, 2020, he attended the 36th training for dispatched directors and supervisors of Central Huijin; 3. On July 6, 2020, he attended the training on Guidelines for the Board of Directors and Directors of the Hong Kong Stock Exchange organized by the Company; 4. On October 28, 2020, he attended the online special training on the new Securities Law organized by Xinjiang Listed Companies Association and Shenzhen Quanjing Network Co., Ltd.; 5. On November 18, 2020, he attended the Training on Improving the Special Meetings on Quality of Listed Companies and Training for Directors, Supervisors and Senior Management of Listed Companies in Xinjiang organized by Xinjiang Branch of CSRC; 6. On December 14, 2020, he attended the training for directors organized by Central Huijin;
Zhang Yigang	Non-executive director	1. On July 6, 2020, he attended the training on Guidelines for the Board of Directors and Directors of the Hong Kong Stock Exchange organized by the Company; 2. On October 28, 2020, he attended the online special training on the new Securities Law organized by Xinjiang Listed Companies Association and Shenzhen Quanjing Network Co., Ltd.;
Ye Mei	Independent non-executive director	1. On May 27, 2020, she attended the Training for Directors, Supervisors and Senior Management of Listed Companies in Xinjiang in 2020 organized by Xinjiang Listed Companies Association; 2. On July 6, 2020, she attended the training on Guidelines for the Board of Directors and Directors of the Hong Kong Stock Exchange organized by the Company; 3. On October 28, 2020, she attended the online special training on the new Securities Law organized by Xinjiang Listed Companies Association and Shenzhen Quanjing Network Co., Ltd.;

Name	Position	Training content
Xie Rong	Independent non-executive director	1. On July 6, 2020, he attended the training on Guidelines for the Board of Directors and Directors of the Hong Kong Stock Exchange organized by the Company; 2. On October 28, 2020, he attended the online special training on the new Securities Law organized by Xinjiang Listed Companies Association and Shenzhen Quanjing Network Co., Ltd.;
Huang Danhan	Independent non-executive director	1. On July 6, 2020, she attended the training on Guidelines for the Board of Directors and Directors of the Hong Kong Stock Exchange organized by the Company; 2. On October 28, 2020, she attended the online special training on the new Securities Law organized by Xinjiang Listed Companies Association and Shenzhen Quanjing Network Co., Ltd.;
Yeung Siuman Shirley	Independent non-executive director	From November 12 to November 25, she attended 116th training course for independent directors of listed companies (first training) organized by the Shenzhen Stock Exchange.

VIII. PERFORMANCE OF DUTIES BY THE SPECIAL COMMITTEES OF THE BOARD OF DIRECTORS

(I) The Company has established four special committees of the Board of Directors, namely the Strategy Committee of the Board of Directors, the Remuneration and Nomination Committee of the Board of Directors, the Audit Committee of the Board of Directors and the Risk Control Committee of the Board of Directors in accordance with relevant PRC laws, regulations, the Articles of Association and corporate governance requirements in the Hong Kong Listing Rules. The special committees are accountable to the Board of Directors and carry out their works with the authorization of the Board of Directors. The clear division of power and responsibility of the special committees guarantees effective operation and makes the decision division of the Board of Directors more refined. The special committees of the Board of Directors provide opinions and suggestions on the decision-making of the Board of Directors and play a good role in the Company's major decision-making. As of the end of the Reporting Period, the details of the composition of each special committee of the Board of Directors are in "II. Composition of the Special Committees under the Board of Directors during the Reporting Period" as set out in Section VII "Particulars of Directors, Supervisors, Senior Management and Employees" of this report.

1. The main responsibilities of the Strategy Committee are as follows: Understanding, analyzing and mastering the current status regarding domestic and international industries and relevant policies of the state, understanding and mastering the overall situation of the Company's operation and management; studying the Company's short-term, medium-term and long-term development strategies, providing advice on major decisions such as major investment and financing, mergers and acquisitions, and discussing relevant matters on a regular or an irregular basis; reviewing the Company's development strategy plans, and proposing suggestions to the Board of Directors; reviewing the matters in relation to specific development plans as needed, and proposing suggestions to the Board of Directors; reviewing and evaluating the soundness of the governance structure of the Company, and reporting to the Board of Directors; Other duties as provided in the Articles of Association and other matters authorized by the Board of Directors.

2. The main responsibilities of the Remuneration and Nomination Committee are as follows: to review the structure of the Board, number of directors and composition of the Board (including skills, knowledge and experience) at least once a year, and make recommendations on any proposed changes to the Board to complement the corporate strategy; to review and put forward opinions on the criteria and procedures for selection of directors and senior management personnel; find candidates with appropriate qualifications for directors and senior management personnel; review and make recommendations on the qualification and conditions of candidates for directors and senior management personnel; formulate and, where appropriate, review policies on the diversity of Board members, and disclose the relevant policies or policy summaries in the annual report every year; to review and put forward opinions on the assessment and remuneration management system for directors and senior management personnel, and make recommendations to the Board on the establishment of formal and transparent procedures to formulate such remuneration policies; to assess the independence of independent non-executive directors; to make recommendations to the Board on the appointment or reappointment of directors and succession plans for directors (especially the chairman and general manager); to review, assess and make suggestions on the duty performance of directors and senior management personnel of the Company; to review the remuneration proposals of the management according to the corporate policies and objectives set by the Board; to make recommendations to the Board on the personal remuneration packages of executive directors and senior management personnel, including benefits in kind, pension rights and compensation payment (including compensation payable for loss or termination of their office or appointment); to make recommendations to the Board on the remuneration of non-executive directors; to consider remuneration paid by comparable companies, time commitment and responsibilities and the employment conditions for other positions in the group; to consider the compensation payable to executive directors and senior management for their loss or termination of office or appointment to ensure that such compensation is consistent with the terms of the contracts; if it fails to comply with the terms of the contract, the compensation shall also be fair and reasonable and not excessive; to consider the compensation arrangements involved in the dismissal or removal of directors due to their misconduct to ensure consistency with the terms of the contract; if it fails to comply with the terms of the contract, the relevant compensation shall also be reasonable and appropriate; to ensure that no director or any of his/her associates shall participate in determining his/her own remuneration; and other duties stipulated in the Articles of Association and other matters authorized by the Board.

3. The main responsibilities of the Audit Committee are as follows: proposing on the appointment or change of the external auditor, making recommendations on the remuneration and terms of engagement of the external auditor, and supervising the practice of the external auditor; reviewing the financial information and its disclosure of the Company; reviewing the Company's annual audit work. Coordinating the communication between internal audit and external audit, and making judgments on the authenticity, accuracy and completeness of the financial report information after the annual audit, and submitting it to the Board of Directors for deliberation; reviewing the completeness and effectiveness of the Company's accounting system, audit system, capital management system and financial control system, supervising the implementation of the Company's relevant systems; ensuring that the internal audit function is sufficiently resourced within the Company and has appropriate standing, and reviewing and monitoring its effectiveness; reviewing and monitoring the independence and objectivity of the external auditor and the effectiveness of the auditing procedures in accordance with applicable standards; before the commencement of any audit work, the Audit

Committee shall discuss with the external auditor about the nature and scope of audit and the related reporting obligations; formulating and implementing policy on the provision of non-audit services by the external auditor. The Audit Committee shall report such actions or improvements as it deems necessary to the Board of Directors and make recommendations; monitoring the completeness of the Company's financial statements as well as annual reports and accounts, interim reports and quarterly reports, and reviewing significant financial reporting opinions contained therein. Reviewing the issuer's financial control and internal control systems; having the right to fully discuss the issues related to the Company's financial conditions and internal control content at the meeting of the Board of Directors, and having the right to request the Company's management to explain, respond to, and accept enquiries on relevant issues, and making recommendations to the Board of Directors on such basis to ensure that management has fulfilled its responsibility to establish and maintain an effective internal control system. The discussion shall include the Company's adequacy of resources, staff qualifications and experience, training programmes received by employees and relevant budget in accounting and financial reporting functions; considering significant investigation findings and the respective management responses on internal control matters as delegated by the Board of Directors or on its own initiatives; reviewing the Group's financial and accounting policies and practices; reviewing the external auditor's management letter, any material queries raised by the external auditor to management in respect of accounting records, financial accounts and control systems and management's responses; ensuring that the Board of Directors will provide a timely response to the issues raised in the external auditor's management letter; other duties as provided in the Articles of Association and other matters authorized by the Board of Directors; reporting the abovementioned matters to the Board of Directors; studying other topics defined by the Board of Directors.

4. The main responsibilities of the Risk Control Committee are as follows: to review and make suggestions on the overall goals and basic policies for risk management of the Company; to review and make suggestions on the organization design and duties of risk management; to evaluate and make suggestions on the risks of important decisions and solutions to significant risks which require review by the Board; to formulate the significant risk limits centering on internal process controls, and to monitor, review and make suggestions to the Board on the internal control systems under the overall risk management; to be delegated by the Board to review the effectiveness of risk management and internal monitoring systems of the Company and its subsidiaries at least once a year, and to report to shareholders that it has completed the review in the Corporate Governance Report. The review shall cover all important monitoring aspects including the financial monitoring, operation monitoring and compliance monitoring, which shall specifically include the followings: (a) the changes in the nature and extent of significant risks, and the ability of the Company to respond to changes in its business and external environment since the review of last year; (b) the scope and quality of management's ongoing monitoring of risks and of internal control system, and where applicable, the work of its internal audit function and other assurance providers; (c) the extent and frequency of communication of monitoring results to the Board (or Board committees) which enables it to assess the monitoring of the Company and the effectiveness of risk management; (d) significant monitoring failings or weaknesses that have been identified during the period. and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or condition; (e) the effectiveness of the Company's procedures for financial reporting and compliance with the Hong Kong Listing Rules; to perform other duties as required by the Articles of Associations and other matters as authorized by the Board.

(II) Convened meetings of the special committees

1. Audit Committee of the Board of Directors

No.	Date	Title of meeting	Content of meeting
1	January 21, 2020	2020 first meeting of the Audit Committee of the Board of Directors and the first meeting between independent directors and certified public accountants responsible for annual audit	(I) Audit Committee: 1. Reviewed the 2019 unaudited financial statements of the Company 2. Reviewed the audit schedule for annual financial report 3. Considered the 2019 Work Plan on Internal Control Evaluation of the Company; 4. Communicated with the accountants responsible for annual audit (II) Meeting between independent directors and certified public accountants responsible for annual audit 1. Heard the report of the management of the Company on the work of the Company in 2019 2. Heard the report on the financial position and operating results of the Company for the year 3. Heard the annual audit work arrangement and communicated with the certified public accountants responsible for annual audit on the audit focuses
2	March 2, 2020	2020 second meeting of the Audit Committee of the Board of Directors	1. Considered the 2019 Financial Statements of the Company; 2. Considered the 2019 Report on Performance of Duties by the Audit Committee of the Board of Directors; 3. Attended the meeting of the Risk Control Committee of the Board of Directors and heard the report of the Company on risk management.
3	March 10, 2020	2020 third meeting of the Audit Committee of the Board of Directors and the meeting between independent directors and certified public accountants responsible for annual audit	1. Considered the 2019 Annual Report of the Company; 2. Considered the 2019 Internal Control Evaluation Report of the Company 3. Considered the Resolution Regarding the Re-appointment of Auditors of the Company for 2020

No.	Date	Title of meeting	Content of meeting
4	April 21, 2020	2020 fourth meeting of the Audit Committee of the Board of Directors	Considered the 2020 First Quarterly Report of the Company;
5	August 11, 2020	2020 fifth meeting of the Audit Committee of the Board of Directors	1. Considered the 2020 Interim Report of the Company 2. Attended the meeting of the Risk Control Committee of the Board of Directors and heard the report of the Company on risk management.
6	October 23, 2020	2020 sixth meeting of the Audit Committee of the Board of Directors	Considered the 2020 Third Quarterly Financial Report of the Company

2. Remuneration and Nomination Committee of the Board of Directors

No.	Date	Title of meeting	Content of meeting
1	March 6, 2020	2020 first meeting of the Remuneration and Nomination Committee of the Board of Directors	Reviewed the 2019 Report on Performance of Duties by the Remuneration and Nomination Committee of the Board of Directors
2	April 27, 2020	2020 second meeting of the Remuneration and Nomination Committee of the Board of Directors	1. Considered the Resolution Regarding the Consideration of the Qualifications of the Candidates for Non-independent Directors of the Company 2. Considered the Resolution Regarding the Consideration of the Qualifications of Senior Management of the Company
3	September 24, 2020	2020 third meeting of the Remuneration and Nomination Committee of the Board of Directors	Considered the Resolution Regarding the Consideration of the Qualifications of the Candidates for Independent Directors of the Company
4	December 16, 2020	2020 fourth meeting of the Remuneration and Nomination Committee of the Board of Directors	1. Considered the Resolution Regarding the Consideration of the Qualifications of Senior Management of the Company 2. Considered the Resolution Regarding the Consideration of the Qualifications of the Candidates for Directors of the Company

No.	Date	Title of meeting	Content of meeting
5	December 23, 2020	2020 fifth meeting of the Remuneration and Nomination Committee of the Board of Directors	1. Considered the Resolution Regarding Consideration of the Remuneration Settlement Plan for Senior Management of Shenwan Hongyuan for 2019 2. Considered the Resolution Regarding Consideration of the Calculation Method of the Evaluation Target Coefficient of the Board of Directors of the Company.

3. Risk Control Committee of the Board of Directors

No.	Date	Title of meeting	Content of meeting
1	March 10, 2020	2020 first meeting of the Risk Control Committee of the Board of Directors	1. Heard the Report on Risks of Shenwan Hongyuan Group Co., Ltd. for 2019 2. Considered the 2019 Report on Performance of Duties by the Risk Control Committee of the Board of Directors
2	August 11, 2020	2020 second meeting of the Risk Control Committee of the Board of Directors	Heard the Report on Risks of Shenwan Hongyuan Group Co., Ltd. for the first half of 2020

4. Strategy Committee of the Board of Directors

In 2020, during the Company's promotion of strategic evaluation and new strategy formulation, members of the Strategy Committee of the Board of Directors of the Company actively provided suggestions and fully expressed their opinions based on the original strategic evaluation and the formulation of new strategies through surveys, interviews, seminars, and special discussions. Special seminars on inter-industry strategies for securities traders were also organized to carefully consider the evaluation report on the Outline of the Strategic Planning of Shenwan Hongyuan for 2017–2020, and the Outline of the Strategic Planning of Shenwan Hongyuan for 2021–2025 (preliminary draft) was reviewed for many times.

(III) Attendance of special committees of the Board of Directors

1. Audit Committee of the Board of Directors

Name of member	Position	Attendance/Numbers of meeting shall be present
Xie Rong	Independent non-executive Director Chairman of the Audit Committee	6/6
Ye Mei	Independent non-executive Director Member of the Audit Committee	6/6
Huang Danhan	Independent non-executive Director Member of the Audit Committee	6/6
Wang Honggang	Non-executive Director Member of the Audit Committee	6/6

2. Remuneration and Nomination Committee of the Board of Directors

Name of member	Position	Attendance/Numbers of meeting shall be present
Ye Mei	Independent non-executive Director Chairman of the Remuneration and Nomination Committee	5/5
Chu Xiaoming	Executive Director Member of the Remuneration and Nomination Committee	5/5
Xie Rong	Independent non-executive Director Member of the Remuneration and Nomination Committee	5/5
Yang Qiumei (former member)	Independent non-executive Director Member of the Remuneration and Nomination Committee	3/3

3. Risk Control Committee of the Board of Directors

Name of member	Position	Attendance/Numbers of meeting shall be present
Chen Jianmin	Non-executive Director Chairman of the Risk Control Committee	2/2
Huang Danhan	Independent non-executive Director Member Member of the Risk Control Committee	2/2
Wang Honggang	Non-executive Director Member of the Risk Control Committee	2/2

IX. BOARD DIVERSITY POLICY

To satisfy and implement the requirements regarding board diversity set out in the Hong Kong Listing Rules and to ensure a more scientific and reasonable composition of the Board of Directors, the Company has formulated the Board Diversity Policy of Shenwan Hongyuan Group Co., Ltd. covering purpose, scope of application, policies and principles, measurable objectives, management responsibilities, etc. which has been published on the website of the Company. The Company recognises the importance of diversity of the Board to corporate governance and the effectiveness of the Board of Directors. To realise a sustainable and balanced development, the Company believes that a diversified Board enables the Company to reach its strategic goals and promote sustainable development. When deciding the Board member composition, the Company takes several elements into the consideration, including but not limited to gender, age, cultural and educational background, region, professional experience, skills, knowledge, and service tenure. The Board of Directors sticks to the principle of meritocracy for all appointments and focuses on assessing what skills, experience and diverse opinions and perspectives a candidate can bring to the Board of Directors, and what contributions they can made to the Board of Directors, etc. The final decision will be made on the merits of the candidates and the contribution brought to the Board of Directors. The Company confirms that the composition of the Board of Directors satisfies the requirements regarding board diversity set out in the Hong Kong Listing Rules as well as the policy on board diversity formulated by the Company.

X. DIRECTORS NOMINATION POLICY AND NOMINATION PROCEDURES

According to Article 120 of the Articles of Association, election of directors and supervisors shall meet the following requirements:

(I) the list of candidates for director and supervisor shall be proposed to the general meeting for voting.

(II) shareholder(s) individually or in aggregate holding 3% or more of the total shares of the Company may nominate the candidates for directors to a general meeting, as well as the candidates for supervisors to be elected by a general meeting; employee representative supervisors shall be elected by an employees' representative assembly.

(III) before a general meeting is held, the Board shall disclose the detailed information about the director and supervisor candidate(s) by announcement.

(IV) persons who intend to nominate an independent non-executive director shall obtain the consent of the intended nominee therefor prior to his/her nomination. The nominator shall have full knowledge of the nominee's general information such as profession, educational background, professional title, detailed working experience and all other posts he or she concurrently holds, and give opinion on the nominee's qualifications and the independence required as an independent non-executive director. The nominee as an independent non-executive director candidate shall make a public statement that he/she has no relationship with the Company that may affect his/her independent objective judgment. The Board of Directors of the Company shall make public the abovementioned content regarding the candidate for independent non-executive director prior to the general meeting at which the independent non-executive director is elected.

(V) when voting on the election of directors and supervisors at a general meeting, cumulative voting system in accordance with requirements of these Articles of Association or resolutions of general meeting may be adopted. Cumulative voting system shall be adopted where the shareholding ratio of the controlling shareholder of the Company is 30% or more and the general meeting votes on the election of more than

two directors or supervisors (not being employee representative supervisor). The cumulative voting means that every share shall, on the occasion of electing directors or supervisors at the general meeting, have the same voting rights with the number of the candidate directors or supervisors and the voting rights possessed by the shareholders may be exercised uniformly.

(VI) if the proposal with respect to election of directors or supervisors is approved at the general meeting, unless otherwise resolved by the general meeting, the term of office of a new director or supervisor shall commence on the date on which resolutions of the general meeting are approved (where the qualification for office of such new director or supervisor is not approved by the relevant securities regulatory authorities, his or her term of office shall commence no earlier than the time when he or she is qualified).

According to Article 15 of the Working Rules of the Remuneration and Nomination Committee of the Board of Directors, when the Remuneration and Nomination Committee studies the selection of directors, general managers and other senior management personnel, the procedures are as follows:

(I) the Remuneration and Nomination Committee actively communicates with relevant departments of the Company to study the Company's demand for new directors, general managers and other senior management personnel, and forms written materials thereof;

(II) the Remuneration and Nomination Committee may extensively search for candidates for directors, general managers and other senior management personnel within the Company and through channels such as talent markets.

(III) the Remuneration and Nomination Committee shall gather information about the occupation, academic qualifications, post titles, detailed working experience and all the concurrent posts of the initially selected candidate and present such information in writing;

(IV) the Remuneration and Nomination Committee shall seek for the consent of the nominee for his/her nomination. Otherwise, the nominee may not be nominated as a candidate for director, general manager or other senior management personnel;

(V) the Remuneration and Nomination Committee shall convene a meeting to review the qualification of the candidate at an initial screening based on the appointment criteria for directors, general managers or other senior management personnel;

(VI) the Remuneration and Nomination Committee shall provide suggestions and relevant information to the Board on candidates for directors, new general managers and other senior management personnel within one (1) to two (2) months before the election of new directors and the appointment of new general managers and other senior management personnel;

(VII) the Remuneration and Nomination Committee shall carry out other follow-up works according to the decision and opinions of the Board.

XI. WORK OF THE BOARD OF SUPERVISORS

(I) Supervisors' attendance of the meetings of the Board of Supervisors

Name	Position	Number of meetings of the Board of Supervisors to be attended this year	Number of meetings of the Board of Supervisors attended in person	Number of meetings of the Board of Supervisors attended by proxy	Number of absence	Voting results
Xu Yiyang	Supervisor, chairman of the Board of Supervisors	4	4	0	0	Approved
Wen Feng	Supervisor	4	4	0	0	Approved
Gong Bo	Supervisor	4	4	0	0	Approved
Wei Yong	Supervisor	4	4	0	0	Approved
Huang Qi	Employee representative supervisor	4	4	0	0	Approved
Wang Yanyang	Employee representative supervisor	4	4	0	0	Approved
Xie Kun	Employee representative supervisor	4	4	0	0	Approved
An Gejun	Employee representative supervisor	4	4	0	0	Approved

(II) Existing risks of the Company identified by the Board of Supervisors during the Reporting Period

The Board of Supervisors did not raise any objections to supervision matters during the Reporting Period.

XII. COMPLIANCE SYSTEM CONSTRUCTION OF THE COMPANY AND INSPECTION AND AUDIT BY COMPLIANCE AND AUDITING DEPARTMENTS DURING THE REPORTING PERIOD

The Company and Shenwan Hongyuan Securities attach great importance to the construction and improvement of the compliance management system, and continue to improve the compliance management system and the compliance management organization structure in accordance with laws, regulations and regulatory requirements and based on the actual situation of the Company's operation and management, thus to continuously deepen the compliance management of the Company and ensure the continuous and standardized development of various businesses of the Company.

(I) Construction of compliance management system

Depending on the external regulatory environment and the actual situation of operation and management, the Company and its major subsidiaries have continuously established and improved the compliance management systems comprising basic compliance management system, supporting rules for compliance management, etc., and conducted dynamic revision and improvement according to the changes in laws and regulations, and the actual situation of the Company. In particular, the basic compliance management systems include the relevant systems considered and approved by the Board of Directors including the Basic Compliance Management System, the Related Party Transaction Management System, and the Money Laundering and Terrorist Financing Risk Management System; the supporting rules of compliance management include: the Administrative Measures for Rules and Regulations, the Administrative Measures for Compliance Management, the Administrative Measures for Compliance and Risk Management Personnel of Business Departments, the Administrative Measures for Technical Monitoring of Employees' Practices, the Administrative Measures for Chinese Wall, the Administrative Measures for Money Laundering and Terrorist Financing Risks, the Implementation Rules on Compliance Management of Subsidiaries, the Implementation Rules on Compliance Inspection of Investment Banking Business, the Implementation Rules on Management of the Monitoring of Securities Trading by Employees, and the Operating Regulations for Assessment of Money Laundering and Terrorist Financing Risks, etc. In addition, Shenwan Hongyuan Securities has also prepared and issued the Compliance Manual as the basic norms and bottom line requirements for business development.

(II) Construction of compliance management organization system

The Company and its main subsidiaries have established a compliance management organization system with the structure of "leadership (Board of Directors, Board of Supervisors, management), compliance director/executives, compliance department, departments, branches and subsidiaries" based on the actual situation of management. Compliance management organisations and personnel at all levels perform their duties effectively according to the division of responsibilities and duties.

The Board of Directors, Board of Supervisors, management of the Company perform duties related to compliance management in accordance with the laws, regulations, standards, and the Articles of Association. The Board of Directors of the Company assumes responsibility for the effectiveness of compliance management, the management of the Company is responsible for operation in line with laws and regulations, and the Board of Supervisors of the Company supervises the performance of compliance management duties by the Board of Directors and the management of the Company. The compliance director/executives, as the person(s) in charge of compliance of the Company, performs compliance management duties in strict accordance with laws, regulations and standards, provides support and assistance to the Board of

Directors and management in performing compliance management duties, and coordinates the effective operation of the compliance management system. The Company has established a full-time compliance department to assist the compliance director/executives in carrying out work. The compliance department is accountable to the compliance director and performs compliance management duties in accordance with the regulations of the Company and arrangements by the compliance director. The persons in charge of departments, branches and subsidiaries are responsible for operation in line with laws and regulations of such departments, branches and subsidiaries, and supervise and manage the compliance of the practices of the staff of such departments, branches and subsidiaries. The departments and branches have set up compliance management positions, and improved staffing in accordance with relevant systems including the Administrative Measures for Compliance and Risk Management Personnel of Business Departments formulated and issued by the Company. The personnel on such positions are responsible for coordination of compliance management of the departments and branches, and assisting the persons in charge of the departments and branches in establishment and improvement of compliance management system and operation procedures, implementing the Company's compliance management requirements, and performing relevant duties including compliance review, compliance culture promotion, compliance training, compliance consulting, etc.

(III) Operation of compliance management

The Company advocates the compliance culture concepts of proactive compliance, compliance creates value, compliance starts from the management, everyone assumes responsibility for compliance, and compliance is the Company's survival basis, etc. Compliance management follows the principles of comprehensiveness, compliance independence, and proactive compliance by all employees.

Compliance management includes provision of compliance consulting for the Company's directors, supervisors, management, business departments, branches and their staff; compliance review of the Company's internal management system, major decisions, new products and new business solutions, etc.; compliance monitoring of the practices of the Company's management and staff; regular and irregular inspections of the compliance management of all departments; tracking major changes in laws, regulations and standards; regular and irregular report of compliance management of the Company to the Board of Directors, the Board of Supervisors, management, and the securities regulatory authorities or self-regulation organizations; incorporation of compliance assessment into the performance assessment of senior management, departments, branches, subsidiaries and their staff; organizing internal assessment of the effectiveness of compliance management, etc.

The Company has established and improved the anti-money laundering work system, optimised the anti-money laundering work mechanism, and engaged intermediaries to carry out anti-money laundering evaluations. A special anti-money laundering system has been built and the functions of anti-money laundering related systems are improved on an ongoing basis, to strengthen technical support for anti-money laundering. At the same time, the customer information management for non-brokerage businesses has been intensified and the basis for anti-money laundering for non-brokerage businesses has been consolidated. The Company has prepared and distributed anti-money laundering manuals to branches to reinforce anti-money laundering inspection and supervision of branches and continue to improve the quality of anti-money laundering of branches.

The Company has established and perfected the Chinese wall work system, and formulated the administrative measures for Chinese wall, which clarifies departments' responsibilities and work processes. The Company's proprietary business, customer asset management business, investment banking business, brokerage business, and securities investment consulting service are separated from each other. The Company strictly implements management measures including approval of cross-wall (reverse-wall) approval, restricted list and watch list management, and continuously promotes the launch and operation of the special Chinese wall system.

(IV) Work of compliance inspection and audit

1. Inspection by compliance department

During the Reporting Period, the compliance department of the Company proactively organised or participated in relevant inspections or self-inspections according to the regulatory requirements and the actual situation of the Company, mainly including self-inspection of the learning of the new Securities Law and the special inspections and management of investor suitability, customer transaction behavior management, securities investment advisory business, bond business and asset securitization business as well as the inspections and self-inspections of compliance for key units including the subsidiary engaged in private equity fund, Asset Management Business Division, Financial Innovation Headquarters, Securities Investment Headquarters, FICC Business Division, Fixed Income Sales and Trading Headquarters, and certain branches.

2. Audit by audit department

During the Reporting Period, the Company and Shenwan Hongyuan Securities audit department completed a total of 296 audit projects, including:

(1) Annual regular audits: a total of 176 regular audits were conducted, covering 1 functional department and 2 subsidiaries of the Company, as well as 7 headquarters of securities business divisions, 6 subsidiaries, 15 regional branches, and 145 securities business departments of Shenwan Hongyuan Securities.

(2) Departure audits: 106 audits were completed for economic responsibilities of departure.

(3) Special audits: 9 special audits were completed for proceeds, comprehensive risk management, etc.

(4) Internal control evaluation: Internal control evaluation was performed for the business and management matters of the Company, headquarter of Shenwan Hongyuan Securities 24 headquarters of securities business divisions, and 11 subsidiaries and in 2019.

(5) Special compliance evaluation: Evaluation was conducted on the effectiveness of compliance management of Shenwan Hongyuan Securities and its 2 subsidiaries, i.e. Shenwan Hongyuan Financing Services and Shenwan Hongyuan Securities (Western).

XIII. INTERNAL CONTROL CONSTRUCTION

The Company attaches great importance to the work related to internal control construction and earnestly implements the Basic Standards for Enterprise Internal Control and its supporting guidelines as well as relevant regulations on the implementation of internal control of listed companies. The Company has clarified the responsibilities and authorities of the Board of Directors, the Board of Supervisors, the management, and relevant internal organisations in terms of construction, supervision, inspection and evaluation of internal control. The Board of Directors of the Company is responsible for the effectiveness of the Company's internal control and its implementation; the Board of Supervisors independently exercises supervisory powers, and supervises and inquiries about the Company's finance and the performance of duties by directors and senior management of the Company to safeguard the legitimate rights and interests of the Company and shareholders; the management is responsible for the daily operation of the Company's internal control. At the same time, the Company has set up functional departments including the legal risk control department and the audit department, which are responsible for the daily work of construction, supervision and inspection and follow-up evaluation of the company's internal control. The Company continued to improve the authorization management system composed of general meetings, the Board of Directors, and the management, and also regularly organised authorised execution and inspections. The Company's operation management and business development were advanced in an orderly way within the scope of authorisation. During the Reporting Period, the overall internal control system of the Company ran well, which was in line with the governance structure, business scale and business nature of the Company.

XIV. STATEMENT OF THE BOARD OF DIRECTORS ON RESPONSIBILITY OF INTERNAL CONTROL

The Company's internal control is a process implemented by the Board of Directors, the Board of Supervisors, the management and all employees to achieve the control objectives. The Board of Directors is responsible for the establishment, improvement and effective implementation of internal control. The Board of Supervisors oversees the establishment and implementation of internal control by the Board of Directors. The management is responsible for organizing and leading the daily operation of the Company's internal control, and adjusting and improving the internal control of the Company within the scope of authorisation in due course according to the changes in the internal and external circumstances. All units of the Company perform their internal control duties within the scope of its own functions and powers, and are responsible for the effectiveness of their internal control. The goal of the Company's internal control is to promote the Company's realisation of development strategy and business objectives and improve the Company's operating efficiency and effectiveness; ensure the legal compliance of operations and the implementation of the Company's internal rules and regulations; effectively control operating risks, to ensure the safety and integrity of the Company's assets and the reliability, completeness and timeliness of the Company's business records, financial information, management information and other information. The Company continues to improve its internal control environment and internal control structure in accordance with external regulatory requirements and the actual needs of the Company's operation management, so as to gradually improve the integrity, rationality and effectiveness of internal control, and to ensure the orderliness of the Company's operation management and business. The Company continues to establish and improve business and management systems in strict accordance with relevant provisions including the Company Law, the Securities Law, the Basic Standards for Enterprise Internal Control and its supporting guidelines, and regulatory requirements of the securities industry, after giving comprehensive consideration to internal environment, risk assessment, control activities, information and communication, internal supervision and other factors. A relatively complete system of rules and regulations has been established for various business and management matters, and the formulation, update and revision of relevant policies have been carried out in a timely manner in accordance with the latest regulatory requirements and the actual situation of the Company. The continuous improvement of the Company's

institutional system has laid a solid foundation for improving the Company's internal control. During the Reporting Period, the Company revised and improved basic systems including the Articles of Association and the Rules of Procedure of the General Meeting, as well as a series of operational management, risk management and compliance management systems.

It is certain that, due to the inherent limitations of internal control, the Company can only provide reasonable guarantees to achieve the above goals, and conduct dynamic and continuous assessment of the Company's internal control system. If the internal control system established by the Company is found to be defective in evaluation, the Company will immediately carry out rectification and improvement. The Board of Directors of the Company continues to improve its internal control system, evaluate its effectiveness, and truthfully discloses the internal control evaluation report in strict accordance with the standards for enterprise internal control, the listing rules of the places where the shares of the Company are listed and relevant laws and regulations. The Board of Directors of the Company has evaluated internal control in accordance with the requirements of the Basic Standards for Enterprise Internal Control, the Hong Kong Listing Rules, the listing rules of the Shenzhen Stock Exchange and relevant laws and regulations. The Board of Directors believes that, as of the benchmark date of the internal control evaluation report (December 31, 2020), the internal control was in line with the Company's operating scale, scope of business, competition status and risk level, and the Company's internal control was effective.

In 2021, the Company will further improve the internal control environment and internal control structure in accordance with the provisions and requirements of the Basic Standards for Enterprise Internal Control and its supporting guidelines, the changing trend of the external operating environment and the actual needs of the Company's development, in order to enhance the integrity, rationality and effectiveness of internal control, to provide reasonable guarantees for the Company's operation management and promote the Company's healthy and sustainable development.

XV. STATEMENT OF THE BOARD OF DIRECTORS ON RISK MANAGEMENT

1. Statement of the Board of Directors

The Company always believes that effective risk management and internal control are essential to the Company's legal and continuous operation, and it is the responsibility of the Board of Directors to establish, improve and effectively implement risk management and internal control. The objectives of the Company's risk management and internal control are: to reasonably guarantee the legal compliance of business management, asset safety, authenticity and integrity of financial reports and related information, improve operational efficiency and effectiveness, and promote the realization of development strategies. Due to the inherent limitations of risk management and internal control, it can only provide reasonable guarantees for achievement of the above goals, and perform dynamic and continuous evaluation of the Company's risk control and internal control system. Any defect in the risk management and internal control system established by the Company as identified during the evaluation process will be rectified and improved immediately. The Board of Directors has evaluated risk management and internal control in accordance with the requirements of the Basic Standards of Enterprise Internal Control and is of the view that as of December 31, 2020, the Company's risk management was in line with the Company's operating scale, business scope, competition status and risk level. The Company's risk management and internal control are effective.

2. Risk management and internal control

The Company always adheres to the concept of "standardized operation and stable development", and continuously optimizes and improves the risk management system at group level with high penetration "involving all staff in all aspects throughout the entire business process and with full coverage". It has built a multi-level risk management organization and a full-coverage risk management system, and adopted effective risk management and control measures. As a result, the risk control capabilities are continuously enhanced and various risks in business management are better controlled as a whole.

(1) The Company attaches great importance to risk management and has established a risk management organization structure comprising the Board of Directors, the Risk Control Committee, the Board of Supervisors, the management and risk management committee, the risk management department and other functional management departments, as well as business departments, branches and subsidiaries to guarantee the effective operation of the risk management system. The Board of Directors is the highest decision-maker in the Company's risk management, and ultimately responsible for the overall risk management of the Company. The Board of Directors governs the Risk Control Committee, which is accountable to and reports to the Board of Directors. By fully exerting the role of special committee, the Risk Control Committee, with the focus placed on internal process controls, supervises and reviews the overall risk management, and proactively promotes the construction and improvement of the internal control system of the Company. The Company reviews the effectiveness of risk management and internal control systems of the Company and its subsidiaries at least once a year, covering all important monitoring aspects including the financial monitoring, operation monitoring and compliance monitoring, and reports the completion of relevant reviews to shareholders in the Corporate Governance Report.

(2) The Company has established a risk management mechanism composed of three lines of defense including the business departments, risk management department and other relevant functional departments, and audit department of the Company. In particular, business departments, branches and subsidiaries serve as the first line of defense and are responsible for identifying, assessing, responding to and reporting related risks in a timely manner; the risk management department and other relevant functional departments are the second line of defense and monitor and manage the key risks in relation to the Company's operation management and business development; the audit department acts as the third line of defense to conduct independent review and evaluation. The "three lines of defense" mechanism strengthens the awareness of risk responsibility at the forefront, strengthens front-end risk control, and effectively promotes the formation of risk awareness among all employees, so as to put risk management responsibilities in place.

(3) The Company establishes and improves the three-level system composed of basic systems, main systems, and operating systems on an ongoing basis; in terms of risk management, it has built a risk management system with the Risk Management System as the basic system with various professional risk management measures and business-level operating procedures and specific risk management systems as supporting rules to regulate risk management, and can improve the risk management system in a timely manner according to laws and regulations, regulatory requirements and industry developments.

(4) In terms of risk management and control measures, a comprehensive risk identification and analysis system has been established, and qualitative and quantitative methods have been used to analyze and evaluate the company's risks. For internal and external major risk information that may affect the realization of business objectives, scientific and reasonable measurement models or evaluation methods are adopted for prudent assessment; the company has established a clear risk control indicators system, which effectively covers various business types and professional risk types, and realized dynamic monitoring and early warning of various business risk indicators and regulatory indicators through a risk management system; it has established a risk response strategy that is commensurate with risk appetite and a complete internal and external response mechanism, to basically and effectively control various types of risks. In addition, the company has established a smooth risk information communication mechanism to ensure transmission and feedback of relevant information in a timely, accurate, and complete manner.

XVI. BASIS FOR ESTABLISHING INTERNAL CONTROL FOR FINANCIAL REPORTS

The Company has established a relatively complete business and financial management system in accordance with laws and regulations including the Company Law, the Securities Law, the Accounting Law, the Basic Standards for Enterprise Internal Control and its supporting guidelines, and the Guidelines on Internal Control of Securities Firms, and based on the actual situation of the Company. The Company has formulated rules and regulations in terms of accounting, financial management, financial reporting, etc. The internal control process of the company's financial reporting has been continuously strengthened through setting up a scientific financial accounting organization structure, equipping qualified financial accounting professionals, constructing a sound and effective financial accounting management system, selecting appropriate accounting policies and reasonable accounting estimates, to ensure that the financial report prepared by the Company meets the requirements of accounting standards and can truly, accurately and completely reflect the Company's financial position, operating results and other related information. During the Reporting Period, the Company's internal control system and mechanism for financial reporting were sound and in good operation, and no major or significant deficiencies were identified in the Company's internal control of financial reporting.

XVII. INTERNAL CONTROL EVALUATION

1. Details of the significant defects in internal control detected during the Reporting Period

According to the identification of major deficiencies in internal control of the Company's financial report, there were no significant defects in the internal control of the financial report as at the benchmark date of the internal control evaluation report. The Board of Directors is of the view that the Company has maintained effective internal control of financial report in all major aspects in accordance with the requirements of the Company's standard internal control system and relevant provisions.

According to the identification of major deficiencies in internal control of the Company's non-financial report, the Company found no significant defects in the internal control of the non-financial report as at the benchmark date of the internal control evaluation report.

2. Self-assessment report on internal control

Date of disclosure of the full text of internal control evaluation report		March 31, 2021
Disclosure index of full text of internal control evaluation report		For detailed information, please visit the website of Cninfo at www.cninfo.com.cn for the report dated March 31, 2021
The percentage of total assets of units included in the evaluation scope to the total assets in the Company's consolidated financial statements		100%
The percentage of total operating income of units included in the evaluation scope to the operating income in the Company's consolidated financial statements		100%
Defect identification criteria		
Category	**Financial Report**	**Non-financial Report**
Qualitative criteria	Material defect: (1) Directors, supervisors and senior management have committed fraud related to financial report and have been investigated by the judicial authorities. (2) Misinformation may cause users to make significant wrong decisions or diametrically opposite decisions, causing significant losses. (3) Significant corrections to published financial reports. (4) Defects in internal control severely affect the authenticity, completeness and reliability of financial reports and safety of related assets. Major defect: One defect or a combination of defects in internal control of financial report that is with less severity than a material defect, but may still cause the Company to deviate from the objectives of internal control. General defect: Other defect other than a material defect or a major defect.	Material defect refers to one defect or a combination of control defects that may cause the Company to materially deviate from the objectives of internal control. Major defect refers to one defect or a combination of control defects that is with less severity and less severe economic consequences than a material defect, but may still cause the Company to deviate from the objectives of internal control. General defect refers to other defect other than a material defect or a major defect.

Defect identification criteria		
Category	**Financial Report**	**Non-financial Report**
Quantitative criteria	Material defect: The potential misstated amount is more than 3% (inclusive) of the total net assets, or more than 5% (inclusive) of the total profit before tax. Major defect: The potential misstated amount is between 1.5% (inclusive) and 3% of the total net assets, or between 3% (inclusive) and 5% of the total profit before tax. General defect: The potential misstated amount is less than 1.5% of the total net assets, or less than 3% of the total profit before tax.	Material defect: The direct property losses amount to 5% (inclusive) or more of the Company's total profit before tax. Major defect: The direct property losses are between 3% (inclusive) and 5% of the Company's total profit before tax. General defect: The direct property losses are less than 3% of the Company's total profit before tax.
The number of material defects in financial reports (piece)		0
The number of material defects in non-financial reports (piece)		0
The number of major defects in financial reports (piece)		0
The number of major defects in non-financial reports (piece)		0

XVIII. INTERNAL CONTROL AUDIT REPORT

Review of the internal control audit report: As at December 31, 2020, Shenwan Hongyuan Group had maintained effective internal control over financial reports in accordance with the Basic Standards for Enterprise Internal Control and related requirements in all material respects.	
Disclosure of internal control audit report	Disclosed
Disclosure date of full text of internal control audit report	March 31, 2021
Disclosure index of full text of internal control audit report	For detailed information, please visit the website of Cninfo at www.cninfo.com.cn for the report dated March 31, 2021
Type of opinion of the internal control audit report	Standard and unqualified opinion
Whether there is any substantial defect in the non-financial report	No

XIX. IMPLEMENTATION OF THE MANAGEMENT SYSTEM FOR REGISTRATION OF INSIDERS OF THE COMPANY

The Company is committed to establishing and improving a long-term mechanism to prevent insider trading. It has formulated the Management System for Registration of Insiders to further standardize the inside information management of the Company and the subsidiaries invested and controlled by it and enhance the confidentiality of inside information. According to the system, the Board of Directors of the Company is the decision-making body for the Company's inside information management. The secretary of the Board of Directors is in charge of coordinating and organizing the management of the Company's inside information. The office of the Board of Directors is responsible for monitoring of the Company's inside information, information disclosure, and insider file registration.

Before the inside information is publicly disclosed in accordance with the law, in accordance with the relevant regulatory requirements, the Company will carry out the management, registration and filing of insiders in a timely manner. The Company truthfully and completely records the list of insiders at each aspect before the disclosure, prepares a memorandum on the progress of major events based on actual conditions, and makes a memorandum for the time of each key point in the planning and decision-making process, the list of personnel involved in planning and decision-making, and the method of planning and decision-making and signs thereon for confirmation. Relevant files are properly kept for the Company's self-examination and inspection by relevant regulatory authorities.

XX. OTHER ISSUES ON CORPORATE GOVERNANCE

(I) Responsibility to be borne by directors for the financial statements

The responsibility statement of the directors on financial statements below shall be read in conjunction with that of the certified public accountants contained in the audit report of this report, while both statements shall be comprehended separately.

The Company's directors shall compile genuine and fair consolidated financial statements according to the disclosure requirements under the China Accounting Standards, International Financial Reporting Standards issued by the International Accounting Standards Board and the Hong Kong Companies Ordinance. The Company's directors will also be responsible for the necessary internal monitoring of the consolidated financial statements so that there will not be any material misstatements as a result of fraud or errors. The Company is not subject to any event or circumstance of material uncertainty, as a result of which significant doubt may be cast upon the ability of the on-going operation of the Company.

(II) Appointment and remuneration of the auditors

As considered and approved at the 2019 annual general meeting of the Company, the Company engaged KPMG Huazhen LLP and KPMG as the Company's auditors for 2020, respectively, to be responsible for the provision of the relevant audit and review services in accordance with the Accounting Standards for Enterprises of China and the International Financial Reporting Standards, respectively; KPMG Huazhen LLP was engaged as the Company's auditor for internal control for 2020 and the audit fee including the fee for internal control for 2020 was RMB5.5 million. Please see details of its employment and remuneration in "Appointment of Accounting Firm, Financial Advisor and Sponsor" in "Section V Significant Events" in this report.

(III) Securities transactions by directors, supervisors and relevant employees

The Company has adopted the Model Code as its own code of conduct for directors and supervisors in conducting securities transactions. After specific enquiry of the directors and supervisors of the Company, all directors and supervisors have strictly complied with the standards in the Model Code during the Reporting Period.

(IV) Company Secretaries

At the 37th meeting of the fourth session of the Board of Directors of the Company, the Resolution Regarding the Appointment of Joint Company Secretaries was approved whereby Mr. Yang Changyun, the secretary of the Board of Directors of the Company, and Ms. Fok Po Yi from SWCS Corporate Services Group (Hong Kong) Limited, an external agency, were appointed as the joint Company Secretaries of the Company. Such appointments took effect from the date of listing of the overseas listed foreign shares (H Shares) issued by the Company on the Hong Kong Stock Exchange for trading. Ms. Fok Po Yi is a Company secretary of external agency and her main contact person is Mr. Yang Changyun, the then secretary of the Board of Directors of the Company, and is the main contact person of the Company with the Hong Kong Stock

Exchange. During the Reporting Period, according to the requirements of the Hong Kong Listing Rules, Mr. Yang Changyun, during his tenure, and Ms. Fok Po Yi had participated in relevant professional training for no less than 15 hours in accordance with Rule 3.29 of the Hong Kong Listing Rules. On December 18, 2020, due to personal development, Mr. Yang Changyun resigned his positions as deputy general manager, chief financial officer and secretary to the Board of Directors of the Company, as well as his positions as the joint company secretary and authorised representative of the Company. The resignation of Mr. Yang Changyun was considered and approved at the 56th meeting of the fourth session of the Board of Directors of the Company.

On January 29, 2021, the Resolution Regarding the Appointment of Company Secretary and Process Agent was considered and approved at the 58th meeting of the fourth session of the Board of Directors of the Company. Due to job change, Ms. Fok Po Yi, the former company secretary of the Company, resigned as the company secretary and the authorized representative of the Company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) for the acceptance of service of process and notices in Hong Kong (the "Process Agent"). As proposed by SWCS Corporate Services Group (Hong Kong) Limited, an external agency, the Company appointed the recommended Ms. Chen Chun as the Company Secretary and Process Agent with effect from the date of consideration and approval at the 58th meeting of the fourth session of the Board of Directors. Ms. Fok Po Yi ceased to serve as the company secretary and Process Agent of the Company from the date of consideration and approval of the abovementioned appointment by the Board of Directors. The main contact person of Ms. Chen Chun is Mr. Xu Liang, secretary to the Board of Directors of the Company.

(V) Amendments to the Articles of Association

During the Reporting Period, the Company amended relevant articles of the Articles of Association pursuant to the requirements under the Securities Law of the People's Republic of China (《中華人民共和國證券法》) adopted at the 15th meeting of the Standing Committee of the 13th session of National People's Congress and the Official Reply of the State Council on the Adjustment of the Notice Period for the General Meeting and Other Matters Applicable to the Overseas Listed Companies (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》), and the actual situation of the Company. The revised Articles of Association has been considered and approved at the 2019 annual general meeting of the Company convened on June 23, 2020 and has been implemented. In January 2021, the 58th meeting of the fourth session of the Board of Directors of the Company considered and approved amendments to the Articles of Association. At present, the Articles of Association (revised) is subject to consideration and approval at the general meeting.

(VI) Investor relations

The Company attaches great importance to investor relations management. It has formulated relatively complete rules and regulations including the Investor Relations Management System, and established a number of communication channels including on-site meeting, telephone and internet. The Company proactively strengthens interactive exchange with the capital market through a number of communication methods including results presentation, domestic road show, acceptance of investors' research and attendance of the meetings of brokers and through communication platforms including website of the Company, investor hotline, email and interaction website of stock exchange to enhance the Company's transparency and ensure investors' right to know and other legitimate rights and interests. If shareholders have any inquiries, they can send them to the Company's office address by mail, hotline or direct mail, and the Company will handle relevant inquiries appropriately in a timely manner.

In 2020, the Company received 16 analysts from the seller and institutional investment surveys, involving a number of institutions, and participated in 1 investor collective reception day held by Xinjiang Listed Companies Association.

Pursuant to the "Reply on Approval for Shenwan Hongyuan Group Co., Ltd. to Publicly Offer Corporate Bonds to Qualified Investors" (Zheng Jian Xu Ke [2016] No. 813) (《關於核准申萬宏源集團股份有限公司向合格投資者公開發行公司債券的批覆》（證監許可[2016]813號文）) from China Securities Regulatory Commission, the Company was approved to publicly offer corporate bonds with total nominal value of not more than RMB12.50 billion to qualified investors (hereafter referred to as "2016 Corporate Bonds"). These corporate bonds of the Company were offered in tranches, of which the offering of the first tranche would be completed within 12 months from the approval date of the CSRC, while the offering of the remaining tranches of bonds was completed within 24 months from the approval date of the CSRC.

In 2016, the Company has offered two tranches of bonds in total, among which, the first tranche of bonds commenced to be placed to off-line qualified investors from April 26, 2016, with the ultimate offering size of RMB5.00 billion and coupon rate of 3.45%. As of April 28, 2016, the offering expense of RMB20.00 million has been paid and the net of the proceeds received was RMB4.98 billion. The above proceeds have been verified by KPMG Huazhen LLP with the capital verification report of KPMG Huazhen Yan Zi No. 1600562. As of December 31, 2020, the principal repaid for the first tranche of bonds amounted to RMB2,979 million, the balance of bonds was RMB2,021 million and the coupon rate was adjusted to 3.70%.

The offering of the second tranche of corporate bonds was completed on September 12, 2016, with the final offering size of RMB7.50 billion, among which, type I was three-year term, with the offering size of RMB2.00 billion and coupon rate of 2.90%; and type II was five-year term, with the offering size of RMB5.50 billion and coupon rate of 3.20%. As of September 13, 2016, the offering expense of RMB15.00 million has been paid and the net proceeds received was RMB7,485 million. The above proceeds have been verified by KPMG Huazhen LLP with the capital verification report of KPMG Huazhen Yan Zi No. 1600944. As of December 31, 2020, the principal repaid for the second tranche of bonds (type I) amounted to RMB2 billion.

As of December 31, 2020, the Company has utilized RMB12,474,361,059.41 (including interests from bank deposits) of the proceeds in aggregate to replenish the Company's operating capital, which was in consistent with the use of proceeds undertaken upon offering the corporate bonds and there was no change in the use of proceeds.

Pursuant to the Reply on Approval for Shenwan Hongyuan Group Co., Ltd. to Publicly Offer Corporate Bonds to Qualified Investors (Zheng Jian Xu Ke [2018] No. 979) (《關於核准申萬宏源集團股份有限公司向合格投資者公開發行公司債券的批覆》（證監許可[2018]979號文）) from China Securities Regulatory Commission, the Company was approved to publicly offer corporate bonds with total nominal value of not more than RMB7.00 billion to qualified investors (hereafter referred to as "2018 Corporate Bonds"). These corporate bonds of the Company were offered in tranches, of which the offering of the first tranche would be completed within 12 months from the approval date of the CSRC, while the offering of the remaining tranches of bonds was completed within 24 months from the approval date of the CSRC.

In 2018, the Company has offered one tranche of bonds in total, the offering of bonds was completed on July 17, 2018, with the final offering size of RMB7.00 billion. Type I was a fixed-rate bond with a five-year term, and the issuer should have the option to adjust the coupon rate and the investors should have the option to sell back the bonds at the end of the 3rd year term, with the offering size of RMB0.50 billion and coupon rate of 4.40%; type II was a fixed-rate bonds with a five-year term, with the offering size of RMB6.50 billion and coupon rate of 4.80%. As of July 17, 2018, the offering expense of RMB8.40 million has been paid and the net proceeds received was RMB6.992 billion. The above proceeds have been verified by KPMG Huazhen LLP with the capital verification report of KPMG Huazhen Yan Zi No. 1800351.

As of December 31, 2020, the Company has utilized RMB6,996,822,593.05 (including interests from bank deposits) of the proceeds in aggregate to replenish the Company's working capital, which was in consistent with the use of proceeds undertaken upon offering corporate bonds and there were no changes in the use of the proceeds.

Pursuant to the "No-Objection Letter Regarding the Compliance with Transfer Conditions of Shenzhen Stock Exchange by the Non-Public Offering of Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. in 2019" (Shen Zheng Han [2019] No. 62) (《關於申萬宏源集團股份有限公司2019年非公開發行公司債券符合深交所轉讓條件的無異議函》（深證函[2019]62號文）) from the Shenzhen Stock Exchange, the Company non-publicly offered corporate bonds with total nominal value of not more than RMB10 billion (the "2019 Corporate Bonds"). These corporate bonds of the Company were offered in tranches. For each tranche, an application for transfer of bonds would be submitted to the Shenzhen Stock Exchange within 12 months from the date of issuance of the no-objection letter.

In 2019, the Company offered three tranches of bonds in total, among which, the first tranche of bonds commenced to be placed to off-line qualified investors from March 5, 2019 with the ultimate offering size of RMB1 billion, the nominal value of RMB100.00 each, the offer price of RMB100.00/piece and the coupon rate of 4.18%. As of March 8, 2019, the offering expense of RMB1.2 million had been paid and the net of the proceeds received was RMB999 million.

The offering of the second tranche of corporate bonds was completed on April 9, 2019 with the ultimate offering size of RMB3.2 billion and the coupon rate of 4.27%. As of April 12, 2019, the offering expense of RMB3.84 million had been paid and the net of the proceeds received was RMB3,196 million.

The offering of the third tranche of corporate bonds was completed on October 23, 2019 with the ultimate offering size of RMB5.8 billion. The corporate bonds were fixed-rate bond with a five-year term, and the issuer should have the option to adjust the coupon rate and the investors should have the option to sell back the bonds at the end of the 3rd year term, with the coupon rate of 3.94%. As of October 25, 2019, the offering expense of RMB6.96 million had been paid and the net of the proceeds received was RMB5,793 million.

As of December 31, 2020, the Company had utilized RMB10,072,248,003.50 (including interests from bank deposits) of the proceeds in aggregate to replenish the Company's operating capital, which was in consistent with the use of proceeds undertaken upon offering the corporate bonds and there was no change in the use of proceeds.

According to the Reply on Approval of the Registration of Public Issuance of Perpetual Subordinated Bonds to Professional Investors to Professional Investors by Shenwan Hongyuan Group Co., Ltd. (Zheng Jian Xu Ke [2021] No. 71) (《關於同意申萬宏源集團股份有限公司向專業投資者公開發行公司債券註冊的批覆》（證監許可[2021]71號文）) from China Securities Regulatory Commission, the Company was approved to publicly offer corporate bonds with total nominal value of not more than RMB15 billion to professional investors (hereafter referred to as "2021 Corporate Bonds"). These corporate bonds of the Company were offered in tranches, of which the offering of the first tranche would be completed within 12 months from the approval date of the CSRC, while the offering of the remaining tranches of bonds was completed within 24 months from the approval date of the CSRC.

In 2021, the Company has offered one tranche of bonds in total, the offering of bonds was completed on March 8, 2021, with the final offering size of RMB2.00 billion. Type I was a fixed-rate bond with a five-year term, and the issuer should have the option to adjust the coupon rate and the investors should have the option to sell back the bonds at the end of the 3rd year term, with the offering size of RMB1.50 billion and coupon rate of 3.68%; type II was a fixed-rate bond with a seven-year term, and the issuer should have the option to adjust the coupon rate and the investors should have the option to sell back the bonds at the end of the 5th year term, with the offering size of RMB0.50 billion and coupon rate of 3.95%. As of March 8, 2021, the offering expense of RMB2.40 million has been paid and the net proceeds received was RMB1.9976 billion.

As of the date of this report, the Company has not used the proceeds.

I. BASIC INFORMATION OF THE CORPORATE BONDS

1. Public Offering of Corporate Bonds in 2016

Name of bond	Abbreviation of bond	Code of bond	Offering date (YYYY-MM-DD)	Maturity date (YYYY-MM-DD)	Balance of bond (RMB'0,000)	Coupon rate	Payment of principal and interest
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Qualified Investors in 2016 (first tranche)	16 ShenHong 01	112386	2016-4-26	2021-4-26	202,080	3.70%	Interest shall be calculated annually, while the principal shall be fully repaid upon maturity. Interest shall be paid annually, and principal will be repaid upon maturity together with interest payable for the last period.
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Qualified Investors in 2016 (second tranche)	16 ShenHong 03	112446	2016-9-9	2021-9-9	550,000	3.20%	Interest shall be calculated annually, while the principal shall be fully repaid upon maturity. Interest shall be paid annually, and principal will be repaid upon maturity together with interest payable for the last period.

Trading places for the listing or transfer of the corporate bonds	Shenzhen Stock Exchange
Suitability arrangement of investors	Targeted to qualified investors who have maintained A share securities accounts in the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited and in compliance with the requirements under the "Administrative Measures on Corporate Bonds Offering and Trading" (《公司債券發行與交易管理辦法》) and related laws and regulations (excluding subscribers prohibited by laws and regulations). Investors shall not subscribe by illegally making use of accounts or funds of others, or illegally financing or financing for others. Investors subscribing these bonds shall observe relevant laws and regulations and the relevant provisions of China Securities Regulatory Commission and assume corresponding legal responsibilities on their own.
Interest payment and repayment of principal of corporate bonds during the Reporting Period	On April 23, 2020, the Company paid the interest of RMB37.00 (with tax)/lot for Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Qualified Investors in 2016 (first tranche) from April 26, 2019 to April 25, 2020. On September 9, 2020, the Company paid the interest of RMB32.00 (with tax)/lot for Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Qualified Investors in 2016 (second tranche) (type II) from September 9, 2019 to September 8, 2020.
Performance of relevant articles during the Reporting Period, if special articles such as issuer or investor option articles and interchangeable articles for corporate bonds (if applicable).	Nil

2. Public Offering of Corporate Bonds in 2018

Name of bond	Abbreviation of bond	Code of bond	Offering date (YYYY-MM-DD)	Maturity date (YYYY-MM-DD)	Balance of bond (RMB'0,000)	Coupon rate	Payment of principal and interest
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Qualified Investors in 2018 (first tranche)	18 ShenHong 01	112728	2018-7-17	2023-7-17	50,000	4.40%	Interest shall be calculated annually, while the principal shall be fully repaid upon maturity. Interest shall be paid annually, and principal will be repaid upon maturity together with interest payable for the last period.
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Qualified Investors in 2018 (first tranche)	18 ShenHong 02	112729	2018-7-17	2023-7-17	650,000	4.80%	Interest shall be calculated annually, while the principal shall be fully repaid upon maturity. Interest shall be paid annually, and principal will be repaid upon maturity together with interest payable for the last period.

Trading places for the listing or transfer of the corporate bonds	Shenzhen Stock Exchange
Suitability arrangement of investors	Targeted to qualified investors who have maintained A share securities accounts in the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited and in compliance with the requirements under the "Administrative Measures on Corporate Bonds Offering and Trading" (《公司債券發行與交易管理辦法》) and related laws and regulations (excluding subscribers prohibited by laws and regulations). Investors shall not subscribe by illegally making use of accounts or funds of others, or illegally financing or financing for others. Investors subscribing these bonds shall observe relevant laws and regulations and the relevant provisions of China Securities Regulatory Commission and assume corresponding legal responsibilities on their own.
Interest payment and repayment of principal of corporate bonds during the Reporting Period	On July 17, 2020, the Company paid the interest of RMB44.00 (with tax)/lot for Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Qualified Investors in 2018 (first tranche) (type I) from July 17, 2019 to July 16, 2020. On July 17, 2020, the Company paid the interest of RMB48.00 (with tax)/lot for Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Qualified Investors in 2018 (first tranche) (type II) from July 17, 2019 to July 16, 2020.
Performance of relevant articles during the Reporting Period, if special articles such as issuer or investor option articles and interchangeable articles for corporate bonds (if applicable).	The term of Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Qualified Investors in 2018 (first tranche) (type I) is five years, and the issuer shall have the option to adjust the coupon rate and the investors shall have the option to sell back the bonds at the end of the third interest-bearing year. As of the date of this report, none of such terms were implemented.

3. Non-public Offering of Corporate Bonds in 2019

Name of bond	Abbreviation of bond	Code of bond	Offering date (YYYY-MM-DD)	Maturity date (YYYY-MM-DD)	Balance of bond (RMB'0,000)	Coupon rate	Payment of principal and interest
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Non-publicly Offered in 2019 (first tranche)	19 ShenHong 01	114443	2019-3-8	2022-3-8	100,000	4.18%	Interest shall be calculated annually, while the principal shall be fully repaid upon maturity. Interest shall be paid annually, and principal will be repaid upon maturity together with interest payable for the last period.
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Non-publicly Offered in 2019 (second tranche)	19 ShenHong 02	114461	2019-4-12	2022-4-12	320,000	4.27%	Interest shall be calculated annually, while the principal shall be fully repaid upon maturity. Interest shall be paid annually, and principal will be repaid upon maturity together with interest payable for the last period.
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Non-publicly Offered in 2019 (third tranche)	19 ShenHong 04	114590	2019-10-25	2024-10-25	580,000	3.94%	Interest shall be calculated annually, while the principal shall be fully repaid upon maturity. Interest shall be paid annually, and principal will be repaid upon maturity together with interest payable for the last period.

Name of bond	Abbreviation of bond	Code of bond	Offering date (YYYY-MM-DD)	Maturity date (YYYY-MM-DD)	Balance of bond (RMB'0,000)	Coupon rate	Payment of principal and interest
Trading places for the listing or transfer of the corporate bonds							Shenzhen Stock Exchange
Suitability arrangement of investors							Targeted to qualified investors who have maintained A share securities accounts in the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited and in compliance with the requirements under the "Administrative Measures on Corporate Bonds Offering and Trading" (《公司債券發行與交易管理辦法》) and related laws and regulations (excluding subscribers prohibited by laws and regulations). Investors shall not subscribe by illegally making use of accounts or funds of others, or illegally financing or financing for others. Investors subscribing these bonds shall observe relevant laws and regulations and the relevant provisions of China Securities Regulatory Commission and assume corresponding legal responsibilities on their own.
Interest payment and repayment of principal of corporate bonds during the Reporting Period							On March 9, 2020, the Company paid the interest of RMB41.80 (with tax)/lot for Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Non-publicly Offered in 2019 (first tranche) from March 8, 2019 to March 7, 2020. On April 13, 2020, the Company paid the interest of RMB42.70 (with tax)/lot for Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Non-publicly Offered in 2019 (second tranche) from April 12, 2019 to April 11, 2020. On October 26, 2020, the Company paid the interest of RMB39.40 (with tax)/lot for Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Non-publicly Offered in 2019 (third tranche) from October 25, 2019 to October 24, 2020.
Performance of relevant articles during the Reporting Period, if special articles such as issuer or investor option articles and interchangeable articles for corporate bonds (if applicable).							The term of Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Non-publicly Offered in 2019 (third tranche) is five years, and the issuer shall have the option to adjust the coupon rate and the investors shall have the option to sell back the bonds at the end of the third interest-bearing year. As of the date of this report, none of such terms were implemented.

4. Public Offering of Corporate Bonds in 2021

Name of bond	Abbreviation of bond	Code of bond	Offering date (YYYY-MM-DD)	Maturity date (YYYY-MM-DD)	Balance of bond (RMB'0,000)	Coupon rate	Payment of principal and interest
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Qualified Investors in 2021 (first tranche)	21 ShenHong 01	149393	2021-3-8	2026-3-8	150,000	3.68%	Interest shall be calculated annually, while the principal shall be fully repaid upon maturity. Interest shall be paid annually, and principal will be repaid upon maturity together with interest payable for the last period.
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Qualified Investors in 2021 (first tranche)	21 ShenHong 02	149394	2021-3-8	2028-3-8	50,000	3.95%	Interest shall be calculated annually, while the principal shall be fully repaid upon maturity. Interest shall be paid annually, and principal will be repaid upon maturity together with interest payable for the last period.

Trading places for the listing or transfer of the corporate bonds	Shenzhen Stock Exchange
Suitability arrangement of investors	Targeted to qualified investors who have maintained A share securities accounts in the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited and in compliance with the requirements under the "Administrative Measures on Corporate Bonds Offering and Trading" (《公司債券發行與交易管理辦法》) and related laws and regulations (excluding subscribers prohibited by laws and regulations). Investors shall not subscribe by illegally making use of accounts or funds of others, or illegally financing or financing for others. Investors subscribing these bonds shall observe relevant laws and regulations and the relevant provisions of China Securities Regulatory Commission and assume corresponding legal responsibilities on their own.
Interest payment and repayment of principal of corporate bonds during the Reporting Period	During the Reporting Period, there was no interest payment or repayment of principal of corporate bonds
Performance of relevant articles during the Reporting Period, if special articles such as issuer or investor option articles and interchangeable articles for corporate bonds (if applicable).	The term of Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Qualified Investors in 2021 (first tranche) (type I) is five years, and the issuer shall have the option to adjust the coupon rate and the investors shall have the option to sell back the bonds at the end of the third interest-bearing year. The term of Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Qualified Investors in 2021 (first tranche) (type II) is seven years, and the issuer shall have the option to adjust the coupon rate and the investors shall have the option to sell back the bonds at the end of the fifth interest-bearing year. As of the date of this report, none of such terms were implemented.

II. INFORMATION ABOUT BOND TRUSTEE AND CREDIT RATING AGENCY

Bond trustee for Corporate Bonds Publicly Offered in 2016, Corporate Bonds Publicly Offered in 2018 and Corporate Bonds Non-publicly Offered in 2019:							
Name	Huatai United Securities Co., Ltd.	**Office address**	6/F, Block A, Fengming International Building, No. 22 Fengsheng Alley, Xicheng District, Beijing	**Contact person**	Li Xiang, Cui Yue	**Telephone of contact person**	010-56839300
Credit rating agency(ies) which conducted rating on corporate bonds during the Reporting Period:							
Name	Shanghai Brilliance Credit Rating & Investors Service Co., Ltd.			**Office address**	K-22, Room 103, Tower A, 1555 Kong Jiang Road, Yang Pu District, Shanghai		
Reason of change, procedures to be conducted and impacts on benefits of investors, etc. in case the bond trustee and credit rating agency hired by the company during the Reporting Period have changed (if applicable)				There were no changes in the bond trustee and credit rating agency.			

Bond trustee for Corporate Bonds Publicly Offered in 2021:							
Name	Chasing Securities Co., Ltd.	**Office address**	T3, T4 and podium 718, Binjiang Financial Center, No 112 Chazishan East Road, Yuelu District, Changsha, Hunan Province	**Contact person**	Liu Yongqiang, Chen Yanbing	**Telephone of contact person**	0731-84779547
Credit rating agency(ies) which conducted rating on corporate bonds during the Reporting Period:							
Name	China Lianhe Credit Rating Co., Ltd.			**Office address**	17/F, Building 2, Courtyard 2, Jianwai Street, Chaoyang District, Beijing		
Reason of change, procedures to be conducted and impacts on benefits of investors, etc. in case the bond trustee and credit rating agency hired by the company during the Reporting Period have changed (if applicable)				There were no changes in the bond trustee and credit rating agency.			

III. USE OF PROCEEDS OF CORPORATE BONDS OFFERING

1. Public Offering of Corporate Bonds in 2016

Use of proceeds from corporate bonds and implementation procedures	The proceeds from corporate bonds offering, after deducting the offering expenses, have been fully used to replenish the Company's operating capital and improve the Company's capital situation.
Ending Balance (RMB'0,000)	0.00
Operation of special account for proceeds	At the time of offering the 2016 Corporate Bonds, the Company designated a special account for collecting funds raised under the requirements in the prospectus; as of the end of the Reporting Period, the proceeds have been fully used to replenish the Company's operating capital according to the utilization schedule set forth in the prospectus. Such special account had been cancelled.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	The use of proceeds was in consistent with the committed purpose, the utilization schedule and other agreements in the prospectus.

2. Public Offering of Corporate Bonds in 2018

Use of proceeds from corporate bonds and implementation procedures	The proceeds from corporate bonds offering, after deducting the offering expenses, have been fully used to replenish the Company's operating capital and improve the Company's capital situation.
Ending Balance (RMB'0,000)	0.00
Operation of special account for proceeds	At the time of offering the 2018 Corporate Bonds, the Company designated a special account for collecting funds raised under the requirements in the prospectus; as of the end of the Reporting Period, the proceeds have been fully used to replenish the Company's operating capital according to the utilization schedule set forth in the prospectus. Such special account had been cancelled.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	The use of proceeds was in consistent with the committed purpose, the utilization schedule and other agreements in the prospectus.

3. Non-public Offering of Corporate Bonds in 2019

Use of proceeds from corporate bonds and implementation procedures	The proceeds from corporate bonds offering, after deducting the offering expenses, have been used to replenish the Company's operating capital of RMB5.249 billion and improve the Company's cash position.
Ending Balance (RMB'0,000)	0.00
Operation of special account for proceeds	At the time of offering the 2019 Corporate Bonds, the Company designated a special account for collecting funds raised under the requirements in the prospectus; as of the end of the Reporting Period, the proceeds of RMB5,249,331,509.03 have been used to replenish the Company's operating capital in aggregate according to the schedule set forth in the prospectus.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	The use of proceeds was in consistent with the committed purpose, the utilization schedule and other agreements in the prospectus.

4. Public Offering of Corporate Bonds in 2021

Use of proceeds from corporate bonds and implementation procedures	The proceeds from corporate bonds offering, after deducting the offering expenses, have not been used.
Balance as at the date of this report (RMB'0,000)	199,760
Operation of special account for proceeds	At the time of offering the 2021 Corporate Bonds, the Company designated a special account for collecting funds raised under the requirements in the prospectus; as of the end of the Reporting Period, the proceeds have not been used.
Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus	The use of proceeds was in consistent with the committed purpose, the utilization schedule and other agreements in the prospectus.

IV. CREDIT RATING INFORMATION OF CORPORATE BONDS

1. Public Offering of Corporate Bonds in 2016

At the time of the offering of 2016 Corporate Bonds, the Company engaged Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. (hereinafter referred to as "Brilliance Credit Rating") to provide a credit rating for the offered corporate bonds. On March 11, 2016, Brilliance Credit Rating issued a credit rating report (Brilliance Bond Rating (2016) 010163) on the public offering of corporate bonds (first tranche) by Shenwan Hongyuan Group Co., Ltd. to the qualified investors in 2016. Brilliance Credit Rating gave the Company an AAA credit rating as an issuer, with a stable rating outlook. Brilliance Credit Rating also considered the tranche of bonds safe and secure in terms of repayment of its principal and payment of interest, and gave the bonds an AAA credit rating. The ratings indicated that the issuer had a strong ability to repay its debts and was basically not affected by the adverse economic conditions, with an extremely low risk of default. During the valid period of the credit rating and the term of the abovementioned corporate bonds, Brilliance Credit Rating continued to monitor the changes in the Company's external business environment, its operating results or financial conditions and the guarantees for the bonds, keeping track of its credit risks. On June 24, 2016, Brilliance Credit Rating issued a follow-up credit rating report (Brilliance Follow-up (2016) 100323) on the public offering of corporate bonds (first tranche) by Shenwan Hongyuan Group Co., Ltd. to the qualified investors in 2016. Brilliance Credit Rating maintained the AAA credit rating for the Company as an issuer, and the AAA credit rating for the tranche of corporate bonds, with a stable rating outlook.

On September 1, 2016, Brilliance Credit Rating issued a credit rating report (Brilliance Bond Rating (2016) 010763) on the public offering of corporate bonds (second tranche) by Shenwan Hongyuan Group Co., Ltd. to the qualified investors in 2016. Brilliance Credit Rating gave the Company an AAA credit rating as an issuer, with a stable rating outlook. Brilliance Credit Rating also considered the tranche of bonds safe and secure in terms of repayment of its principal and payment of interest, and gave the bonds an AAA credit rating. The rating indicated that the issuer had a strong ability to repay its debts and was basically not affected by the adverse economic conditions, with an extremely low risk of default. During the valid period of the credit rating and the term of the above-mentioned corporate bonds, Brilliance Credit Rating continued to monitor the changes in the Company's external business environment, its operating results or financial conditions and the guarantees for the bonds, keeping track of its credit risks.

On May 24, 2017, Brilliance Credit Rating issued a follow-up credit rating report (Brilliance Follow-up (2017) 100124) on the public offering of corporate bonds (first tranche) and (second tranche) by Shenwan Hongyuan Group Co., Ltd. to the qualified investors in 2016. Brilliance Credit Rating maintained the AAA credit rating for the Company as an issuer, and the AAA credit rating for the corporate bonds "16 ShenHong 01, 16 ShenHong 02 and 16 ShenHong 03", with a stable rating outlook. (For details, please refer to the Follow-up Credit Rating Report on the Public Offering of Corporate Bonds (First Tranche) and (Second Tranche) by Shenwan Hongyuan Group Co., Ltd. to the Qualified Investors in 2016 published on the Cninfo website (http://www.cninfo.com.cn) on May 26, 2017).

On June 13, 2018, Brilliance Credit Rating issued a follow-up credit rating report (Brilliance Follow-up (2018) 100158) on the public offering of corporate bonds (first tranche) and (second tranche) by Shenwan Hongyuan Group Co., Ltd. to the qualified investors in 2016. Brilliance Credit Rating maintained the AAA credit rating for the Company as an issuer, and the AAA credit rating for the corporate bonds "16 ShenHong 01, 16 ShenHong 02 and 16 ShenHong 03", with a stable rating outlook. (For details, please refer to the Follow-up Credit Rating Report on the Public Offering of Corporate Bonds (First Tranche) and (Second Tranche) by Shenwan Hongyuan Group Co., Ltd. to the Qualified Investors in 2016 published on http://www.cninfo.com.cn on June 19, 2018).

On April 26, 2019, Brilliance Credit Rating issued a follow-up credit rating report (Brilliance Follow-up (2019) 100032) on the public offering of corporate bonds (first tranche) and (second tranche) by Shenwan Hongyuan Group Co., Ltd. to the qualified investors in 2016. Brilliance Credit Rating maintained the AAA credit rating for the Company as an issuer, and the AAA credit rating for the corporate bonds "16 ShenHong 01, 16 ShenHong 02 and 16 ShenHong 03", with a stable rating outlook. (For details, please refer to the Follow-up Credit Rating Report on 16 ShenHong 01, 16 ShenHong 02, 16 ShenHong 03, 18 ShenHong 01 and 18 ShenHong 02 Issued by Shenwan Hongyuan Group Co., Ltd. published on the Cninfo website (http://www.cninfo.com.cn) on April 26, 2019).

On May 26, 2020, Brilliance Credit Rating issued a follow-up credit rating report (Brilliance Follow-up (2020) 100098) on the public offering of corporate bonds (first tranche) and (second tranche) by Shenwan Hongyuan Group Co., Ltd. to the qualified investors in 2016. Brilliance Credit Rating maintained the AAA credit rating for the Company as an issuer, and the AAA credit rating for the corporate bonds "16 ShenHong 01" and "16 ShenHong 03", with a stable rating outlook. (For details, please refer to the Follow-up Credit Rating Report on 16 ShenHong 01, 16 ShenHong 03, 18 ShenHong 01 and 18 ShenHong 02 Issued by Shenwan Hongyuan Group Co., Ltd. published on the Cninfo website (http://www.cninfo.com.cn) on May 27, 2020).

Brilliance Credit Rating has published follow-up credit ratings for the bonds on the media designated by the regulatory authorities as well as its own website.

The follow-up credit rating arrangement involves regular follow-up, with the follow-up rating report issued annually, within 2 months following the publication of the Company's annual report. In case of material events that may affect the issuer's credit quality, Brilliance Credit Rating will initiate irregular tracking procedures.

2. Public Offering of Corporate Bonds in 2018

At the time of the offering of 2018 Corporate Bonds, the Company engaged Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. ("Brilliance Credit Rating") to provide a credit rating for the offered corporate bonds. On May 14, 2018, Brilliance Credit Rating issued a credit rating report (Brilliance Bond Rating (2018) 010337) on the public offering of corporate bonds by Shenwan Hongyuan Group Co., Ltd. to the qualified investors in 2018. Brilliance Credit Rating gave the Company an AAA credit rating as an issuer, with a stable rating outlook, and considered the tranche of bonds safe and secure in terms of repayment of its principal and interest, and gave the bonds an AAA credit rating. The ratings indicated that the issuer had a strong ability to repay its debts and was basically not affected by the adverse economic conditions, with an extremely low risk of default. During the valid period of the credit rating and the term of the above-mentioned corporate bonds, Brilliance Credit Rating continued to monitor the changes in the Company's external business environment, its operating results or financial conditions and the guarantees for the bonds, keeping track of its credit risks.

On April 26, 2019, Brilliance Credit Rating issued a follow-up credit rating report (Brilliance Follow-up (2019) 100032) on the public offering of corporate bonds by Shenwan Hongyuan Group Co., Ltd. to the qualified investors in 2018. Brilliance Credit Rating maintained the AAA credit rating for the Company as an issuer, and the AAA credit rating for the corporate bonds "18 ShenHong 01" and "18 ShenHong 02", with a stable rating outlook. (For details, please refer to the Follow-up Credit Rating Report on the Corporate Bonds 16 ShenHong 01, 16 ShenHong 02, 16 ShenHong 03, 18 ShenHong 01 and 18 ShenHong 02 Issued by Shenwan Hongyuan Group Co., Ltd. published on the Cninfo website (http://www.cninfo.com.cn) on April 26, 2019).

On May 26, 2020, Brilliance Credit Rating issued a follow-up credit rating report (Brilliance Follow-up (2020) 100098) on the public offering of corporate bonds by Shenwan Hongyuan Group Co., Ltd. to the qualified investors in 2018. Brilliance Credit Rating maintained the AAA credit rating for the Company as an issuer, and the AAA credit rating for the corporate bonds "18 ShenHong 01" and "18 ShenHong 02", with a stable rating outlook. (For details, please refer to the Follow-up Credit Rating Report on the Corporate Bonds 16 ShenHong 01, 16 ShenHong 03, 18 ShenHong 01 and 18 ShenHong 02 Issued by Shenwan Hongyuan Group Co., Ltd. published on the Cninfo website (http://www.cninfo.com.cn) on May 27, 2020).

Brilliance Credit Rating has published follow-up credit ratings for the bonds on the media designated by the regulatory authorities as well as its own website.

The follow-up credit rating arrangement involves regular follow-up, with the follow-up rating report issued annually, within 2 months following the publication of the Company's annual report. In case of material events that may affect the issuer's credit quality, Brilliance Credit Rating will initiate irregular tracking procedures.

3. Public Offering of Corporate Bonds in 2021

At the time of the offering of 2021 Corporate Bonds, the Company engaged China Lianhe Credit Rating Co., Ltd. ("Brilliance Credit Rating") to provide a credit rating for the offered corporate bonds. On February 8, 2021, Lianhe Credit issued a credit rating report (Lianhe (2021) 1147) on the public offering of corporate bonds by Shenwan Hongyuan Group Co., Ltd. to the professional investors in 2021. Lianhe Credit gave the Company an AAA credit rating as an issuer, with a stable rating outlook, and considered the tranche of bonds safe and secure in terms of repayment of its principal and interest, and gave the bonds an AAA credit rating. The ratings indicated that the issuer had a strong ability to repay its debts and was basically not affected by the adverse economic conditions, with an extremely low risk of default. During the valid period of the credit rating and the term of the above-mentioned corporate bonds, Lianhe Credit continued to monitor the changes in the Company's external business environment, its operating results or financial conditions and the guarantees for the bonds, keeping track of its credit risks.

The follow-up credit rating arrangement involves regular follow-up, with the follow-up rating report issued annually, within 2 months following the publication of the Company's annual report. In case of material events that may affect the issuer's credit quality, Lianhe Credit will initiate irregular tracking procedures.

V. CREDIT ENHANCEMENT MECHANISM, DEBT REPAYMENT PLAN AND OTHER DEBT REPAYMENT GUARANTEE MEASURES FOR THE CORPORATE BONDS

1. Public Offering of Corporate Bonds in 2016

In order to adequately and effectively protect the interests of bondholders, the Company has made a series of arrangements to ensure the timely and full repayment of the 2016 Corporate Bonds, including designation of dedicated departments and personnel, preparation of debt repayment funds, formulation and strict implementation of the fund management plan with proper organization and coordination, and strict compliance with the information disclosure obligations, etc., which constituted a complete set of approaches to guarantee the payment of interest and redemption of the bonds. The Company has adopted a series of measures to guarantee the repayment of its debts, including formulating of the "Rules of The Bondholders Meetings", setting up a special working group for the repayment of debts, formulating and strictly implementing the fund management plan, entrusting bond manager and making timely information disclosure.

During the Reporting Period, there were no changes in the credit enhancement mechanism, debt repayment plan and other debt repayment guarantee measures for the above corporate bonds.

The Company has set up a special debt repayment account and paid out of it in April 2017 the interest payable of "16 ShenHong 01" for the period from April 26, 2016 to April 25, 2017. In September 2017, the Company paid out of the special account the interest payable for "16 ShenHong 02" and "16 ShenHong 03" for the period from September 9, 2016 to September 8, 2017. In April 2018, the Company paid out of the special account the interest payable for "16 ShenHong 01" for the period from April 26, 2017 to April 25, 2018. In September 2018, the Company paid out of the special account the interest payable for "16 ShenHong 02" and "16 ShenHong 03" for the period from September 9, 2017 to September 8, 2018. In April 2019, the Company paid out of the special account the interest payable for "16 ShenHong 01" for the period from April 26, 2018 to April 25, 2019. In September 2019, the Company paid out of the special account the interest payable for "16 ShenHong 02" and "16 ShenHong 03" for the period from September 9, 2018 to September 8, 2019. In April 2020, the Company paid out of the special account the interest payable for "16 ShenHong 01" for the period from April 26, 2019 to April 25, 2020. In September 2020, the Company paid out of the special account the interest payable for "16 ShenHong 03" for the period from September 9, 2019 to September 8, 2020. (For details, please refer to the Company's announcements published on China Securities Journal, Securities Times, Shanghai Securities News and the Cninfo website (www.cninfo.com.cn) on April 20, 2017, September 5, 2017, April 20, 2018, September 4, 2018, April 24, 2019, September 5, 2019, April 23, 2020 and September 7, 2020, respectively).

2. Public Offering of Corporate Bonds in 2018

In order to adequately and effectively protect the interests of bondholders, the Company has made a series of arrangements to ensure the timely and full repayment of the 2018 Corporate Bonds, including designation of dedicated departments and personnel, preparation of debt repayment funds, formulation and strict implementation of the fund management plan with proper organization and coordination, and strict compliance with the information disclosure obligations, etc., which constituted a complete set of approaches to guarantee the payment of interest and redemption of the bonds. The Company has adopted a series of measures to guarantee the repayment of its debts, including formulation of the "Rules for Meeting of Bondholders", setting up a special working group for the repayment of debts, formulating and strictly implementing the fund management plan, entrusting bond manager and making timely information disclosure.

During the Reporting Period, there were no changes in the credit enhancement mechanism, debt repayment plan and other debt repayment guarantee measures for the above corporate bonds.

In July 2019, the Company paid out of the special account the interest payable for "18 ShenHong 01" and "18 ShenHong 02" for the period from July 17, 2018 to July 16, 2019. In July 2020, the Company paid out of the special account the interest payable for "18 ShenHong 01" and "18 ShenHong 02" for the period from July 17, 2019 to July 16, 2020. (For details, please refer to the Company's announcements published on China Securities Journal, Securities Times, Shanghai Securities News and the Cninfo website (www.cninfo.com.cn) on July 15, 2019 and July 15, 2020, respectively)

3. Public Offering of Corporate Bonds in 2019

In order to adequately and effectively protect the interests of bondholders, the Company has made a series of arrangements to ensure the timely and full repayment of the 2019 Corporate Bonds, including designation of dedicated departments and personnel, preparation of debt repayment funds, formulation and strict implementation of the fund management plan with proper organization and coordination, and strict compliance with the information disclosure obligations, etc., which constituted a complete set of approaches to guarantee the payment of interest and redemption of the bonds. The Company has adopted a series of measures to guarantee the repayment of its debts, including formulation of the "Rules for Meeting of Bondholders", setting up a special working group for the repayment of debts, formulating and strictly implementing the fund management plan, entrusting bond manager and making timely information disclosure.

During the Reporting Period, there were no changes in the credit enhancement mechanism, debt repayment plan and other debt repayment guarantee measures for the above corporate bonds.

The Company has set up a special debt repayment account and paid out of it in March 2020 the interest payable of "19 ShenHong 01" for the period from March 8, 2019 to March 7, 2020. In April 2020, the Company paid out of the special account the interest payable for "19 ShenHong 02" for the period from April 12, 2019 to April 11, 2020. In October 2020, the Company paid out of the special account the interest payable for "19 ShenHong 04" for the period from October 25, 2019 to October 24, 2020. (For details, please refer to the Company's announcements published on China Securities Journal, Securities Times, Shanghai Securities News and the Cninfo website (www.cninfo.com.cn) on March 5, 2020, April 10, 2020 and October 23, 2020, respectively)

4. Public Offering of Corporate Bonds in 2021

In order to adequately and effectively protect the interests of bondholders, the Company has made a series of arrangements to ensure the timely and full repayment of the 2021 Corporate Bonds, including designation of dedicated departments and personnel, preparation of debt repayment funds, formulation and strict implementation of the fund management plan with proper organization and coordination, and strict compliance with the information disclosure obligations, etc., which constituted a complete set of approaches to guarantee the payment of interest and redemption of the bonds. The Company has adopted a series of measures to guarantee the repayment of its debts, including formulation of the "Rules for Meeting of Bondholders", setting up a special working group for the repayment of debts, formulating and strictly implementing the fund management plan, entrusting bond manager and making timely information disclosure.

During the Reporting Period, there were no changes in the credit enhancement mechanism, debt repayment plan and other debt repayment guarantee measures for the above corporate bonds.

VI. BONDHOLDERS MEETINGS CONVENED DURING THE REPORTING PERIOD

During the Reporting Period, the Company did not hold any bondholders meeting.

VII. PERFORMANCE OF THE DUTY OF THE BOND TRUSTEE DURING THE REPORTING PERIOD

Huatai United Securities Co., Ltd. has been appointed as the entrusted bond manager of the corporate bonds "16 ShenHong 01", "16 ShenHong 03", "18 ShenHong 01", "18 ShenHong 02", "19 ShenHong 01", "19 ShenHong 02" and "19 ShenHong 04". During the Reporting Period, Huatai United Securities Co., Ltd. diligently performed its duties in accordance with the Agreement of the Entrusted Bond Manager and continued to track and oversee the Company. It continuously observed and probed into the Company's operating conditions, financial conditions, credit status, use of proceeds and major issues that may affect the rights and interests of bondholders.

On June 29, 2020, Huatai United Securities Co., Ltd. issued the Entrusted Management Report (for 2019) on the Public Offering of Corporate Bonds (First Tranche) to Qualified Investors in 2016, The Entrusted Management Report (for 2019) on the Public Offering of Corporate Bonds (Second Tranche) to Qualified Investors in 2016, the Entrusted Management Report (for 2019) on the Public Offering of Corporate Bonds (First Tranche) to Qualified Investors in 2018, the Entrusted Management Report (for 2019) on the Non-public Offering of Corporate Bonds (First Tranche) to Qualified Investors in 2019, the Entrusted Management Report (for 2019) on the Non-public Offering of Corporate Bonds (Second Tranche) to Qualified Investors in 2019 and the Entrusted Management Report (for 2019) on the Non-public Offering of Corporate Bonds (Third Tranche) to Qualified Investors in 2019. (For details, please refer to the Company's announcement published on June 29, 2020 on the Cninfo website (www.cninfo.com.cn).

As of the end of April 2020, the company's current accumulated new borrowings exceeded 20% of the company's net assets as of December 31, 2019 (the end of last year). On May 14, 2020, Huatai United Securities Co., Ltd. issued the Entrusted Management Provisional Report on Major Issues to reminder investors of the risks in relation to the fact that the current accumulated new borrowings exceeded 20% of the net assets at the end of last year. The company disclosed the abovementioned entrusted management provisional report in a timely manner. (For details, please refer to the Company's announcement published on May 14, 2020 on the Cninfo website (http://www.cninfo.com.cn)).

During the Reporting Period, Huatai United Securities Co., Ltd. issued entrusted management provisional reports on major issues of subsidiaries within the scope of the consolidated statements of the Company. For details, please refer to the Company's announcements published on April 3, 2020, April 24, 2020, May 11, 2020, August 21, 2020, September 24, 2020, October 21, 2020, October 22, 2020, November 9, 2020, November 17, 2020, November 23, 2020 and December 31, 2020 on the Cninfo website (www.cninfo.com.cn).

VIII. THE MAIN ACCOUNTING INFORMATION AND FINANCIAL INDICATORS OF THE COMPANY AS OF THE END OF THE REPORTING PERIOD AND THE END OF THE PREVIOUS YEAR OR THE REPORTING PERIOD AND THE CORRESPONDING PERIOD OF LAST YEAR

Unit: RMB'0,000

Items	For the Reporting Period	For the same period of the previous year	Year-on-year change
EBITDA	**1,790,277.66**	1,500,534.16	19.31%
Current ratio	**1.68**	1.51	Increased by 0.17
Gearing ratio	**77.08%**	72.77%	Increased by 4.31 percentage points
Quick ratio	**1.67**	1.50	Increased by 0.17
Total debt to EBITDA ratio	**0.11**	0.12	Decreased by 0.01
Interest coverage multiple	**2.18**	1.92	13.54%
Cash interest coverage multiple	**-1.19**	2.48	-147.98%
EBITDA interest coverage multiple	**2.25**	1.99	13.07%
Loan repayment ratio	**100.00%**	100.00%	—
Interest repayment ratio	**100.00%**	100.00%	—

IX. THE COMPANY DID NOT HAVE ANY OVERDUE DEBTS.

X. PAYMENT OF INTEREST ON OTHER BONDS AND DEBT FINANCING INSTRUMENTS DURING THE REPORTING PERIOD

Other than the above-mentioned corporate bonds, the Company did not offer any other bonds or debt financing instruments.

Please refer to "XXIV Other Significant Matters of Subsidiaries of the Company" under "Section V Significant Events" in this report for the information about the bonds of the Company's subsidiaries.

XI. THE BANK CREDIT OBTAINED, USE OF SUCH CREDIT AND REPAYMENT OF BANK LOANS DURING THE REPORTING PERIOD

The Company operates compliantly with strong profitability and solvency as well as a clean credit history. It maintains agreeable cooperative relations with a number of banks and other financial institutions and obtains credit facilities from them, demonstrating its strong financing capabilities. As of December 31, 2020, the company was granted bank facilities in a total amount of approximately RMB450.708 billion by over 100 banks, among which, the size of bank facilities granted by the top 10 banks amounted to approximately RMB262.480 billion and approximately RMB100.718 billion had been used.

During the Reporting Period, the Company used the funds in strict accordance with the requirements of the loans and repaid the principal and interest of the loans from the banks and other financial institutions on time and in full.

XII. PERFORMANCE OF THE RELEVANT AGREEMENTS OR COMMITMENTS OF THE COMPANY UNDER THE BOND OFFERING PROSPECTUS DURING THE REPORTING PERIOD

During the Reporting Period, the Company diligently performed its agreements and commitments as provided in the abovementioned corporate bond offering prospectus, and did not have any negative impact on the bond investors due to poor performance of the relevant agreements or commitments provided by the corporate bond offering prospectus of the Company.

XIII. MAJOR EVENTS DURING THE REPORTING PERIOD

During the Reporting Period, the Company as the bond issuer did not incur any major events listed in Article 45 of the Administration Measures on Corporate Bond Offering and Trading (《公司債券發行與交易管理辦法》); for the major events arising from subsidiaries within the scope of the Company's consolidated statements, please refer to "XXIV. Other Significant Matters of Subsidiaries of the Company" under "Section V Significant Events" in this report.

XIV. FOR THE BONDS OF SUBSIDIARIES OF THE COMPANY, PLEASE REFER TO "XXIV. OTHER SIGNIFICANT MATTERS OF SUBSIDIARIES OF THE COMPANY" UNDER "SECTION V SIGNIFICANT EVENTS" IN THIS REPORT

Section X Financial Statements
Independent auditor's report to the shareholders of Shenwan Hongyuan Group Co., Ltd.

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

Opinion

We have audited the consolidated financial statements of Shenwan Hongyuan Group Co., Ltd. ("the Company") and its subsidiaries ("the Group") set out on pages 314 to 451, which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the IASB. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People's Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessing the fair value of financial instruments

Refer to Note 60 to the consolidated financial statements and the accounting policies in note 2(13).

The Key Audit Matter	How the matter was addressed in our audit
The valuation of the Group's financial instruments is based on a combination of market data and valuation models which often require a considerable number of inputs. Many of these inputs are obtained from readily available data for liquid markets. Where such observable data is not readily available, as in the case of certain level 2 and level 3 financial instruments, estimates need to be developed which can involve significant management judgement. We identified assessing the fair value of financial instruments as a key audit matter because of the degree of complexity involved in valuing certain financial instruments and because of the significant degree of judgement exercised by management in determining the inputs used in the valuation models.	Our audit procedures to assess the fair value of financial instruments included the following: • assessing the design, implementation and operating effectiveness of key internal controls over the valuation, independent price verification and valuation model approval for financial instruments • assessing the fair value of a sample of financial instruments traded in active markets by comparing the fair values applied by the Group with publicly available market data; • reading investment agreements entered into during the current year, for a sample of level 2 and level 3 financial instruments to understand the relevant investment terms and identify any conditions that were relevant to the valuation of financial instruments; • engaging our internal valuation specialists to assist us in evaluating the valuation models used by the Group to value certain level 2 and level 3 financial instruments and to perform, on a sample basis, independent valuations of level 2 and level 3 financial instruments and compare these valuations with the Group's valuations. This included comparing the Group's valuation models with our knowledge of current market practice, testing inputs to the fair value calculations and establishing our own valuation models to perform revaluations; • assessing whether the disclosures in the consolidated financial statements reflected the Group's exposure to financial instrument valuation risk with reference to the requirements of the prevailing accounting standards.

Consolidation of structured entities

Refer to Note 55 to the consolidated financial statements.

The Key Audit Matter	How the matter was addressed in our audit
Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. The Group may acquire or retain an ownership interest in, or act as a sponsor of, a structured entity through issuing or acquiring a wealth management product, an investment fund, an asset management scheme, a trust scheme or an asset-backed security. In determining whether a structured entity is required to be consolidated by the Group, management is required to consider the power the Group is able to exercise over the activities of the entity and its exposure to and ability to influence its own returns from the entity. In certain circumstances the Group may be required to consolidate a structured entity even though it has no equity interest therein. The factors which management needs to consider when determining whether a structured entity should be consolidated or not are not purely quantitative and need to be considered collectively.	Our audit procedures to assess the consolidation of structured entities included the following: • making enquiries of management and inspecting relevant documents used by management relating to the judgement process over whether a structured entity is consolidated or not to assess whether the Group has an appropriate process in this regard; • selecting a sample of structured entities for each key product type and performing the following procedures for each item selected: — inspecting the related contracts and internal documents to understand the purpose of the establishment of the structured entity and the involvement the Group has with the structured entity and to assess management's judgement over whether the Group has the ability to exercise power over the structured entity; — evaluating the risk and reward structure of the structured entity including any capital or return guarantee, commission paid and distribution of the returns to assess management's judgement as to exposure, or rights, to variable returns from the Group's involvement in such an entity;

Consolidation of structured entities (continued)

Refer to Note 55 to the consolidated financial statements.

The Key Audit Matter	How the matter was addressed in our audit
We identified the consolidation of structured entities as a key audit matter because it involves significant management judgement in determining whether a structured entity is required to be consolidated by the Group or not and because the impact of consolidating a structured entity on the consolidated statement of financial position could be significant.	— evaluating management's analysis of the structured entity including qualitative analysis and calculations of the magnitude and variability associated with its economic interests in the structured entity to assess management's judgement over the Group's ability to influence its own returns from the structured entity; — evaluating management's judgement over whether the structured entity should be consolidated or not; • assessing the disclosures in the consolidated financial statements in relation to structured entities with reference to the requirements of the prevailing accounting standards.

Loss allowances of financial assets measured at amortized cost

Refer to Note 13 to the consolidated financial statements and the accounting policies in Note 2(11).

The Key Audit Matter	How the matter was addressed in our audit
The determination of loss allowances using the expected credit loss model is subject to a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposures at default, economic indicators for forward-looking adjustment, impact of the COVID-19 and other adjustment factors. Management judgment is involved in the selection of those parameters and the application of the assumptions. In particular, the determination of the loss allowances is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The expected credit losses for financial assets measured at amortised cost are derived from estimates whereby management takes into consideration historical overdue data, the historical loss experience and other adjustment factors.	Our audit procedures to assess loss allowances of financial assets measured at amortized cost included the following: • understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the approval, recording and monitoring of financial assets measured at amortised cost, the credit grading process and the measurement of loss allowances; • with the assistance of our internal specialists, assessing the reliability of the expected credit loss model used by management in determining loss allowances, including assessing the appropriateness of the key parameters and assumptions in the expected credit loss model, including the identification of loss stages, probability of default, loss given default, exposure at default, adjustments for forward-looking information, and other management adjustments;

Loss allowances of financial assets measured at amortized cost (continued)

Refer to Note 13 to the consolidated financial statements and the accounting policies in Note 2(11).

The Key Audit Matter	How the matter was addressed in our audit
Management also exercises judgement in determining the quantum of loss given default based on a range of factors. These include available remedies for recovery, the financial situation of the borrower, the recoverable amount of collateral, the seniority of the claim and the existence and cooperativeness of other creditors. When listed stocks are involved as collateral, price volatility of the stock, the liquidity, the stock holding concentration of the borrower, the loan balances to collateral ratio and the operation of the issuer will also be taken into account in the judgement. We identified loss allowances of financial assets measured at amortised cost as a key audit matter because of the inherent uncertainty and management judgment involved and because of its significance to the financial results and capital of the Group.	• assessing the completeness and accuracy of data used for the key parameters in the expected credit loss model. For key parameters derived from internal data relating to original agreements, we compared the total balance of the financial asset list used by management to assess the allowances for impairment with the general ledger; selecting financial assets and comparing investment information with the underlying agreements and other related documentation to assess the accuracy of compilation of the asset list. For key parameters derived from external data, we selected samples to inspect the accuracy of such data by comparing them with public resources; • for key parameters involving judgement, critically assessing input parameters by seeking evidence from external sources and comparing to the Group's internal records. We compared the economic factors used in the models with market information to assess whether they were aligned with market and economic development, taking into consideration the impact of COVID-19; • evaluating the validity of management's assessment on whether the credit risk of the financial assets has, or has not, increased significantly since initial recognition and whether the financial assets is credit-impaired by selecting risk-based samples. On a sample basis, we checked the financial assets overdue information, understanding the credit situation and the collateral to loan ratio of the borrowers;

Loss allowances of financial assets measured at amortized cost (continued)

Refer to Note 13 to the consolidated financial statements and the accounting policies in Note 2(11).

The Key Audit Matter	How the matter was addressed in our audit
	• for selected samples of the financial assets measured at amortised cost that are credit-impaired, evaluating management's assessment of the value of the collateral held. We also evaluated the forecast cash flows, challenged the viability of the Group's recovery plans and evaluated other credit enhancements that are integral to the contract terms; • recalculating the amount of credit loss allowance for 12-month and life time credit losses using the expected credit loss model based on the above parameters and assumptions for a sample of financial assets measured at amortised cost where the credit risk has not, or has, increased significantly since initial recognition, respectively; • evaluating whether the disclosures on impairment of financial assets measured at amortised cost meet the disclosure requirements of prevailing accounting standards.

Other information

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Pang Shing Chor Eric.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
30 March 2021

Consolidated statements of profit or loss

(Expressed in thousands of Renminbi, unless otherwise stated)

	Section II Note	2020	2019
Revenue			
Fee and commission income	4	**10,055,734**	7,540,211
Interest income	5	**11,905,870**	11,026,802
Net investment gains	6	**6,566,716**	5,325,874
Total revenue		**28,528,320**	23,892,887
Other income and gains	7	**10,628,053**	9,358,654
Total revenue and other income		**39,156,373**	33,251,541
Fee and commission expenses	8	**1,633,366**	1,130,550
Interest expenses	9	**8,299,675**	7,807,128
Staff costs	10	**6,896,980**	5,991,456
Depreciation and amortization expenses	11	**605,547**	553,870
Tax and surcharges		**162,749**	145,938
Other operating expenses	12	**11,686,187**	10,117,526
Provision for impairment losses	13		
— Net provision for impairment loss on financial assets		**798,302**	720,118
— Net provision for impairment loss on other assets		**16,605**	139,862
Total expenses		**30,099,411**	26,606,448
Operating profit		**9,056,962**	6,645,093
Share of profit of associates and joint ventures		**291,505**	282,138
Profit before income tax		**9,348,467**	6,927,231
Income tax expense	14	**1,472,129**	1,123,890
Profit for the year		**7,876,338**	5,803,341
Attributable to:			
Shareholders of the Company	17	**7,766,175**	5,735,413
Non-controlling interests		**110,163**	67,928
Total		**7,876,338**	5,803,341
Basic and diluted earnings per share (in Renminbi per share)	17	**0.3102**	0.2369

The notes on page 323 to 451 are an integral part of these consolidated financial statements.

Consolidated statements of comprehensive income

(Expressed in thousands of Renminbi, unless otherwise stated)

	Section II Note	2020	2019
Profit for the year		**7,876,338**	5,803,341
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss:			
Financial assets at fair value through other comprehensive income			
— Net changes in fair value		**(293,201)**	497,770
— Reclassified to profit or loss		**(213,663)**	(347,877)
Share of other comprehensive income of associates		**(11,396)**	5,489
Exchange differences on translation of financial statements in foreign currencies		**(243,968)**	82,609
Income tax impact		**123,738**	(32,246)
Items that will not be reclassified to profit or loss:			
Equity investment at fair value through other comprehensive income			
— Net change in fair value		**73,007**	1,453,411
Income tax impact		**(18,252)**	(363,353)
Total other comprehensive income for the year, net of tax	52	**(583,735)**	1,295,803
Total comprehensive income for the year		**7,292,603**	7,099,144
Attributable to:			
Shareholders of the Company		**7,261,623**	7,002,226
Non-controlling interests		**30,980**	96,918
Total		**7,292,603**	7,099,144

The notes on page 323 to 451 are an integral part of these consolidated financial statements.

Consolidated statements of financial position

(Expressed in thousands of Renminbi, unless otherwise stated)

	Section II Note	As at 31 December 2020	2019
Non-current assets			
Property and equipment	18	**1,295,289**	1,279,391
Right-of-use assets	19	**864,682**	793,825
Investment properties	20	**56,951**	99,724
Other intangible assets	21	**187,903**	143,715
Interest in associates and joint ventures	23	**4,706,514**	2,489,250
Financial assets measured at amortized cost	24	**2,478,236**	2,006,679
Financial assets at fair value through other comprehensive income	25	**9,071,823**	9,457,210
Financial assets held under resale agreements	26	**3,412,480**	9,335,549
Financial assets at fair value through profit or loss	27	**11,951,891**	5,203,804
Refundable deposits	28	**18,347,661**	8,878,241
Deferred tax assets	29	**2,206,892**	1,833,395
Other non-current assets	30	**106,012**	171,645
Total non-current assets		**54,686,334**	41,692,428
Current assets			
Accounts receivable	31	**3,088,616**	1,968,153
Other receivables and prepayments	32	**3,333,395**	2,598,927
Margin accounts receivable	33	**74,212,401**	53,048,414
Financial assets measured at amortized cost	24	**3,973,967**	5,306,046
Financial assets at fair value through other comprehensive income	25	**57,282,609**	44,017,312
Financial assets held under resale agreements	26	**23,247,258**	29,915,390
Financial assets at fair value through profit or loss	27	**152,615,966**	110,024,423
Derivative financial assets	34	**1,650,558**	481,835
Clearing settlement funds	35	**5,974,014**	3,230,861
Cash held on behalf of brokerage clients	36	**88,136,292**	71,197,312
Cash and bank balances	37	**22,922,867**	25,056,167
Total current assets		**436,437,943**	346,844,840
Total assets		**491,124,277**	388,537,268

The notes on page 323 to 451 are an integral part of these consolidated financial statements.

(Expressed in thousands of Renminbi, unless otherwise stated)

	Section II Note	As at 31 December 2020	2019
Current liabilities			
Loans and borrowings	39	**4,346,935**	1,461,734
Short-term debt instruments issued	40	**40,505,069**	17,065,153
Placements from other financial institutions	41	**4,430,000**	10,315,074
Financial liabilities at fair value through profit or loss	42	**2,876,775**	383,170
Accounts payable to brokerage clients	43	**97,535,040**	77,053,335
Employee benefits payable	44	**2,134,241**	1,650,821
Other payables and accruals	45	**19,899,974**	15,044,688
Current tax liabilities		**676,286**	695,722
Financial assets sold under repurchase agreements	46	**103,314,547**	83,943,834
Lease liabilities	47	**368,729**	286,190
Derivative financial liabilities	34	**2,221,291**	614,656
Contract liabilities	48	**141,791**	115,369
Long-term bonds due within one year	49	**20,634,609**	21,549,900
Total current liabilities		**299,085,287**	230,179,646
Net current assets		**137,352,656**	116,665,194
Total assets less current liabilities		**192,038,990**	158,357,622
Non-current liabilities			
Placements from other financial institutions	41	**—**	636,000
Long-term bonds	49	**97,533,336**	70,185,304
Non-current employee benefits payable	44	**3,044,380**	2,025,967
Deferred tax liabilities	29	**2,148**	2,558
Financial assets sold under repurchase agreements	46	**—**	—
Lease liabilities	47	**494,091**	493,541
Financial liabilities at fair value through profit or loss	42	**575,162**	1,000
Other non-current liabilities	50	**299,283**	181,845
Total non-current liabilities		**101,948,400**	73,526,215
Net assets		**90,090,590**	84,831,407

The notes on page 323 to 451 are an integral part of these consolidated financial statements.

Consolidated statements of financial position (continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

	Section II Note	As at 31 December 2020	2019
Equity			
Share capital	51	**25,039,945**	25,039,945
Reserves	52	**36,240,691**	34,702,070
Retained profits	52	**27,183,981**	23,464,175
Total equity attributable to shareholders of the Company		**88,464,617**	83,206,190
Non-controlling interests		**1,625,973**	1,625,217
Total equity		**90,090,590**	84,831,407

Approved and authorised for issue by the board of directors on 30 March 2021.

Chu Xiaoming
Executive Director, Chairman

Yang Wenqing
Executive Director, Vice Chairman

The notes on page 323 to 451 are an integral part of these consolidated financial statements.

Consolidated statements of changes in equity

(Expressed in thousands of Renminbi, unless otherwise stated)

	Attributable to shareholders of the Company									
		Reserves								
	Share capital (Note 51)	Capital reserve (Note 52)	Surplus reserve (Note 52)	General reserve (Note 52)	Fair value reserve (Note 52)	Translation reserve (Note 52)	Retained profits (Note 52)	Sub-total	Non-controlling interests	Total equity
As at 1 January 2020	25,039,945	19,367,146	3,390,427	12,276,011	(392,056)	60,542	23,464,175	83,206,190	1,625,217	84,831,407
Profit for the year	–	–	–	–	–	–	7,766,175	7,766,175	110,163	7,876,338
Other comprehensive income	–	–	–	–	(335,585)	(168,967)	–	(504,552)	(79,183)	(583,735)
Total comprehensive income	–	–	–	–	(335,585)	(168,967)	7,766,175	7,261,623	30,980	7,292,603
Issuance of ordinary shares	–	–	–	–	–	–	–	–	–	–
Capital reduction by non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	(11,029)	(11,029)
Appropriation to surplus reserve	–	–	173,125	–	–	–	(173,125)	–	–	–
Appropriation to general reserve	–	–	–	1,964,694	–	–	(1,964,694)	–	–	–
Dividends approved in respect of the previous year	–	–	–	–	–	–	(2,003,196)	(2,003,196)	(19,195)	(2,022,391)
Other comprehensive income that has been reclassified to retained profits	–	–	–	–	(94,646)	–	94,646	–	–	–
As at 31 December 2020	25,039,945	19,367,146	3,563,552	14,240,705	(822,287)	(108,425)	27,183,981	88,464,617	1,625,973	90,090,590

The notes on page 323 to 451 are an integral part of these consolidated financial statements.

Consolidated statements of changes in equity (continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

	Attributable to shareholders of the Company									
		Reserves								
	Share capital (Note 51)	Capital reserve (Note 52)	Surplus reserve (Note 52)	General reserve (Note 52)	Fair value reserve (Note 52)	Translation reserve (Note 52)	Retained profits (Note 52)	Sub-total	Non-controlling interests	Total equity
As at 1 January 2019	22,535,945	13,939,710	3,184,382	11,076,984	(1,479,434)	(427)	20,142,165	69,399,325	1,796,604	71,195,929
Profit for the year	–	–	–	–	–	–	5,735,413	5,735,413	67,928	5,803,341
Other comprehensive income	–	–	–	–	1,205,844	60,969	–	1,266,813	28,990	1,295,803
Total comprehensive income	–	–	–	–	1,205,844	60,969	5,735,413	7,002,226	96,918	7,099,144
Issuance of ordinary shares	2,504,000	5,164,656	–	–	–	–	–	7,668,656	–	7,668,656
Appropriation to surplus reserve	–	–	206,045	–	–	–	(206,045)	–	–	–
Appropriation to general reserve	–	–	–	1,199,027	–	–	(1,199,027)	–	–	–
Dividends approved in respect of the previous year	–	–	–	–	–	–	(1,126,797)	(1,126,797)	(6,755)	(1,133,552)
Other comprehensive income that has been reclassified to retained profits	–	–	–	–	(118,466)	–	118,466	–	–	–
Acquisition of non-controlling interests in subsidiaries	–	262,780	–	–	–	–	–	262,780	(261,550)	1,230
As at 31 December 2019	25,039,945	19,367,146	3,390,427	12,276,011	(392,056)	60,542	23,464,175	83,206,190	1,625,217	84,831,407

The notes on page 323 to 451 are an integral part of these consolidated financial statements.

Consolidated statements of cash flows

(Expressed in thousands of Renminbi, unless otherwise stated)

	2020	2019
Cash flows from operating activities:		
Profit before income tax	**9,348,467**	6,927,231
Adjustments for:		
Interest expenses	**8,299,675**	7,807,128
Share of profit of associates and joint ventures	**(291,505)**	(282,138)
Depreciation and amortization expenses	**605,547**	553,870
Provision for impairment losses	**814,907**	859,980
Gains on disposal of property and equipment and other intangible assets	**(6,831)**	(80)
Foreign exchange losses/(gains)	**99,015**	(202,522)
Net investment gains and interest income from financial assets at fair value through other comprehensive income	**(3,091,767)**	(2,619,467)
Net investment gains and interest income from financial assets measured at amortized cost	**(490,574)**	(659,863)
Unrealised fair value changes of financial instruments at fair value through profit or loss	**(930,558)**	(6,136)
Unrealised fair value changes of derivative financial instruments	**(41,162)**	107,389
Operating cash flows before movements in working capital	**14,315,214**	12,485,392
Changes in operating assets		
Increase in refundable deposits	**(9,469,420)**	(3,047,629)
Increase in margin accounts receivable	**(21,324,918)**	(8,911,177)
Increase in accounts receivable, other receivables and prepayments	**(2,271,737)**	(1,335,275)
Decrease in financial assets held under resale agreements	**10,984,295**	17,013,441
Increase in financial instruments at fair value through profit or loss	**(45,453,865)**	(24,131,964)
Decrease in derivative financial instruments	**482,130**	23,048
Increase in cash held on behalf of brokerage clients	**(16,994,680)**	(11,119,974)
Changes in operating liabilities		
Increase in accounts payable to brokerage clients	**20,481,705**	16,777,988
Increase in other payables and accruals and other non-current liabilities	**5,149,032**	1,699,083
Increase in employee benefits payable	**1,501,832**	938,977
Increase in financial assets sold under repurchase agreements	**19,370,713**	4,581,360
Decrease in placements from other financial institutions	**(6,521,074)**	(742,929)
Cash (used in)/ generated from operations	**(29,750,773)**	4,230,341
Income taxes paid	**(1,759,986)**	(1,916,619)
Interest paid for operating activities	**(3,230,440)**	(3,317,788)
Net cash used in operating activities	**(34,741,199)**	(1,004,066)

The notes on page 323 to 451 are an integral part of these consolidated financial statements.

Consolidated statements of cash flows (continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

	Section II Note	2020	2019
Cash flows from investing activities:			
Proceeds from disposal of property and equipment and other intangible assets		**15,129**	9,877
Dividends received from associates and joint ventures		**183,521**	119,915
Interest income from financial assets measured at amortized cost		**498,739**	599,634
Net investment gains and interest income from financial assets at fair value through other comprehensive income		**2,915,957**	2,569,226
Proceeds on disposal of financial assets measured at amortized cost		**762,732**	2,676,917
Purchases of property and equipment, other intangible assets and other non-current assets		**(287,551)**	(222,871)
Purchases of associates and joint ventures		**(2,120,675)**	(100,767)
Purchases of financial assets at fair value through other comprehensive income		**(13,146,439)**	(20,334,528)
(Increase) / decrease in restricted bank deposits		**(668,156)**	7,081,753
Net cash used in investing activities		**(11,846,743)**	(7,600,844)
Cash flows from financing activities:			
Capital injection from issuance of ordinary shares		**—**	7,690,712
Proceeds from issuance of long-term bonds		**48,423,498**	37,084,656
Proceeds from issuance of short-term debt instruments		**103,736,766**	42,505,109
Proceeds from loans and borrowings		**4,346,431**	1,160,307
Long-term bonds repaid		**(22,065,952)**	(35,662,006)
Short-term debt instruments repaid		**(80,475,172)**	(38,727,714)
Loans and borrowings repaid		**(1,460,307)**	(1,068,385)
Loans, bonds and debt instruments interest paid		**(4,802,441)**	(3,969,881)
Dividends paid		**(2,022,391)**	(1,133,553)
Payment of lease liabilities		**(348,357)**	(314,762)
Payment for other financing activities		**(31,233)**	—
Net cash generated from financing activities		**45,300,842**	7,564,483
Decrease in cash and cash equivalents		**(1,287,100)**	(1,040,427)
Cash and cash equivalents at the beginning of the year		**38,948,802**	39,786,707
Effect of foreign exchange rate changes		**(99,015)**	202,522
Cash and cash equivalents at the end of the year	38	**37,562,687**	38,948,802

The notes on page 323 to 451 are an integral part of these consolidated financial statements.

1 General information

Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司) (the "Company"), formerly known as Shenyin Wanguo Securities Co., Ltd., had its origin in a merger of Shanghai Shenyin Securities Co., Ltd. and Shanghai Wanguo Securities Co., Ltd. in 1996 with the approval of the People's Bank of China. On 16 January 2015, the Company changed its name to Shenwan Hongyuan Group Co., Ltd., when Shenyin Wanguo Securities Co., Ltd. and Hongyuan Securities Co., Ltd. merged through share issuance and swap as approved by the China Securities Regulatory Commission ("CSRC") (CSRC Xu Ke [2014] No. 1279).

On 26 January 2015, the common shares issued by the Company were listed on the Shenzhen Stock Exchange. The stock name was "Shenwan Hongyuan" and the stock code was "000166".

On 6 July 2016, on the basis of the total outstanding shares of 14,856,744,977 shares as at 31 December 2015, the Company distributed 3.50 shares per 10 shares as stock dividends to shareholders, thus increasing its registered capital by RMB5,199,860,741 and increasing its total outstanding shares to 20,056,605,718 shares as at 31 December 2016 and 31 December 2017.

As of 16 January 2018, the Company raised a total of RMB11,972,900,760 from the non-public offering of shares, of which paid-in capital was RMB2,479,338,842 and share premium totaled RMB9,493,561,918, thus increasing the accumulated total outstanding shares of the Company to 22,535,944,560 shares as at 31 December 2018.

As of 26 April 2019, the Company issued 2,504,000,000 H shares on the main board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), thus increasing the accumulated total outstanding shares of the Company to 25,039,944,560 shares as at 31 December 2019.

The Company is registered in the Xinjiang Uygur Autonomous Region. The Company and its subsidiaries are principally engaged in securities brokerage, margin financing and securities lending, securities-backed lending, proprietary securities business, securities underwriting and sponsoring, securities asset management, fund management, stock option market making, futures brokerage, direct investment, innovative investment etc.

2 Significant accounting policies

(1) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes International Accounting Standards and related interpretations promulgated by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). A summary of the significant accounting policies adopted by the Group are set out below.

The IASB has issued a number of new and revised IFRSs that are first effective for the current accounting period of the Group. Note 2(5) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period ended 31 December 2020 are set out in Note 61.

2 Significant accounting policies (continued)

(2) Basis of measurement

The financial statements have been prepared on the historical cost basis except that the following assets and liabilities are measured at their fair value: derivative financial instruments, non-derivative financial instruments at FVTPL, debt and equity securities at FVOCI. The methods used to measure fair value are discussed further in Note 2(13).

(3) Functional and presentation currency

These consolidated financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company and its subsidiaries established in the PRC. All consolidated financial statements presented in RMB has been rounded to the nearest thousands, except when otherwise indicated. The Group translates the financial statements of subsidiaries from their respective presentation currencies into the Group's presentation currency if the subsidiaries' presentation currencies are not the same as that of the Group.

(4) Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

A. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in These consolidated financial statements are included in the following notes:

Note 2(6) — consolidation: whether the Group has control over a structured entity.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 2(11)(i) — measurement of 'expected credit loss' (ECL) allowance for financial assets;

Note 2(13) — measurement of fair value;

Note 2(17), Note 2(18) and Note 2(19) — depreciation rates for investment properties, property and equipment, and other intangible assets.

Note 2(11)(ii) — the impairment of non-financial assets;

Note 2(21) — recognition of deferred tax assets;

2 Significant accounting policies (continued)

(5) Changes in significant accounting policies

A number of new standards are also effective from 1 January 2020 but they do not have a material effect on the Group's financial statements.

The Group applied Definition of a Business (Amendments to IFRS 3) to business combinations whose acquisition dates are on or after 1 January 2020 in assessing whether it had acquired a business or a group of assets. The details of accounting policies are set out in Note2(6)(i).

The Group has initially adopted COVID-19-Related Rent Concessions (Amendment to IFRS 16) from 1 June 2020 but it does not has a material effect on the Group's financial statements.

(6) Basis of consolidation

(i) The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see 2(6)(ii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see Note2(11)(ii)). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(ii) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

2 Significant accounting policies (continued)

(6) Basis of consolidation (continued)

(ii) Subsidiaries and non-controlling interests (continued)

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised gains arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meet the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statements of financial position within equity, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognized.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognized in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognized at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(10)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see Note 2(6)(iii)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(11)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

2 Significant accounting policies (continued)

(6) Basis of consolidation (continued)

(iii) Associates and joint ventures

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal Group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate or joint venture that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see Notes 2(6) and 2(11)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognized in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognized in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognized immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognized in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognized at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(10)).

In the Company's statement of financial position, investments in associates and joint venture of the Company are accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale).

2 Significant accounting policies (continued)

(7) Goodwill

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognized immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit ("CGU"), or groups of CGUs, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see Note 2(11)).

On disposal of a CGU during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(8) Foreign currency

When the Group receives capital in foreign currencies from investors, the capital is translated to RMB at the spot exchange rate on the date of receipt. Other foreign currency transactions are, on initial recognition, translated to RMB at the spot exchange rates or the rates that approximate the spot exchange rates on the dates of the transactions.

A spot exchange rate is an exchange rate quoted by the People's Bank of China, the State Administrative of Foreign Exchange or a cross rate determined based on quoted exchange rates. A rate that approximates the spot exchange rate is a rate determined under a systematic and rational method, normally the average exchange rate of the current period.

Monetary items denominated in foreign currencies are translated to RMB at the spot exchange rate at the end of the reporting period. The resulting exchange differences are recognized in profit or loss. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated to RMB using the foreign exchange rate at the transaction date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rate at the date the fair value is determined; the resulting exchange differences are recognized in profit or loss, except for the differences arising from the translation of fair value in other comprehensive income, which are recognized as other comprehensive income in capital reserve.

2 Significant accounting policies (continued)

(8) Foreign currency (continued)

The assets and liabilities of foreign operation are translated to RMB at the spot exchange rate at the end of the reporting period. The equity items, excluding "retained profits", are translated to RMB at the spot exchange rates at the transaction dates. The income and expenses of foreign operations are translated to RMB at the spot exchange rates or the rates that approximate the spot exchange rates at the transaction dates. The resulting translation differences are recognized in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. Upon disposal of a foreign operation, the cumulative amount of the translation differences recognized in shareholders' equity which relates to that foreign operation is transferred to profit or loss in the period in which the disposal occurs.

(9) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(10) Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI — debt investment; FVOCI — equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

— it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

— its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2 Significant accounting policies (continued)

(10) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets — Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

2 Significant accounting policies (continued)

(10) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets — Business model assessment (continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets — Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

— contingent events that would change the amount or timing of cash flows;

— terms that may adjust the contractual coupon rate, including variable-rate features;

— prepayment and extension features; and

— terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

2 Significant accounting policies (continued)

(10) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets — Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments not held for trading at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities — Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's credit risk is recognized in OCI (without reclassification to profit or loss). Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

2 Significant accounting policies (continued)

(10) Financial instruments (continued)

(iii) Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Derivative financial instruments

The Group holds derivative financial instruments to hedge its interest rate and other price risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

(vi) Equity instruments

An equity instrument is a contract that proves the ownership interest of the residual assets after deducting all liabilities of the Group. Considerations received from issuance of equity instruments net of transaction costs are recognised in equity. Considerations and transaction costs paid by the Group for repurchasing its own equity instruments are deducted from equity.

2 Significant accounting policies (continued)

(10) Financial instruments (continued)

(vii) Asset-backed securities

The Group securitises the financial assets, which generally results in the sale of these financial assets to structured entities. The structured entities in turn issue asset-backed securities to investors. Interests in the securitised financial assets may be retained in the form of senior or subordinated tranches, or other residual interests. For asset securitization business, the Group has applied the accounting policies set out in Note 2(6) when assessing consolidation of the structured entities and applied the accounting policies described in Note 2(10)(iii) when assessing whether or not to derecognise the transferred financial assets.

(11) Impairment

(i) Non-derivative financial assets

Financial instruments and contract assets

The Group recognises loss allowances for ECLs on:

— financial assets measured at amortized cost;

— debt investments measured at FVOCI; and

— contract assets.

The Group also recognises loss allowances for ECLs on lease receivables, which are disclosed as part of trade and other receivables.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

— debt securities that are determined to have low credit risk at the reporting date; and

— other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

2 Significant accounting policies (continued)

(11) Impairment (continued)

(i) Non-derivative financial assets (continued)

Financial instruments and contract assets (continued)

The Group considers a financial asset to be in default when:

— the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

— the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

— significant financial difficulty of the debtor;

— a breach of contract such as a default or being more than 90 days past due;

— the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

2 Significant accounting policies (continued)

(11) Impairment (continued)

(i) Non-derivative financial assets (continued)

Credit-impaired financial assets (continued)

— it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

— the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2 Significant accounting policies (continued)

(12) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

2 Significant accounting policies (continued)

(12) Leases (continued)

(i) As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

2 Significant accounting policies (continued)

(12) Leases (continued)

(ii) As a lessor (continued)

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease (see Note 2(11)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

(13) Fair value measurement

If there is an active market for a financial asset or financial liability, the quoted price in the active market without adjusting for transaction costs that may be incurred upon future disposal or settlement is used to establish the fair value of the financial asset or financial liability. For a financial asset held or a financial liability to be assumed, the quoted price is the current bid price. For a financial asset to be acquired or a financial liability assumed, the quoted price is the current asking price. Quoted prices from an active market are prices that are readily and regularly available from an exchange, dealer, broker, industry group or pricing service agency, and represent actual and regularly occurring market transactions on an arm's length basis.

If no active market exists for a financial instrument, a valuation technique is used to establish the fair value. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. Where discounted cash flow technique is used, future cash flows are estimated based on management's best estimates and the discount rate used is the prevailing market rate applicable for instrument with similar terms and conditions at the end of the reporting period. Where other pricing models are used, inputs are based on market data at the end of the reporting period.

2 Significant accounting policies (continued)

(13) Fair value measurement (continued)

In estimating the fair value of a financial asset and financial liability, the Group considers all factors including, but not limited to, risk-free interest rate, credit risk, foreign exchange rate and market volatility, that are likely to affect the fair value of the financial asset and financial liability.

The Group obtains market data from the same market where the financial instrument was originated or purchased.

(14) Margin financing and securities lending

Margin financing and securities lending refers to the lending of funds by the Group to customers for purchase of securities, or lending of securities by the Group to customers for securities selling, for which the customers provide the Group with collateral.

The classification, subsequent measurement and impairment of margin financing receivables is based on policies in Note 2(10) and 2(11). Securities lent are not derecognized when the risks and rewards are not transferred, and interest income from margin financing receivables and securities lent is recognized using the effective interest rate method.

The collateral is not recognized on the statement of financial position, the transfer of the collateral from counterparties is only reflected on the statement of financial position if the risks and rewards of ownership are also transferred.

Securities trading on behalf of margin financing or securities lending customers is accounted for as securities brokerage business.

(15) Financial assets held under resale and sold under repurchase agreements

Financial assets held under resale agreements are transactions where the Group acquires financial assets which will be resold at a predetermined price at a future date under resale agreements. Financial assets sold under repurchase agreements are transactions where the Group sells financial assets which will be repurchased at a predetermined price at a future date under repurchase agreements.

The cash advanced or received is recognized as amounts held under resale or sold under repurchase agreements in the statement of financial position. Assets held under resale agreements are recorded in memorandum accounts as off-balance sheet items. Assets sold under repurchase agreements continue to be recognized in the statement of financial position.

The difference between the purchase and resale consideration, and that between the sale and repurchase consideration, is amortized over the period of the respective transaction using the effective interest method and is included in interest income and interest expenses respectively.

2 Significant accounting policies (continued)

(16) Investments in subsidiaries

In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the principles described in Note 2(6).

In the Company's statements of financial position, investments in subsidiaries are accounted for using the cost method. The investment is stated at cost less impairment loss (Note 2(11)) in the statements of financial position. Except for declared but not yet distributed cash dividends or profits distribution that have been included in the price or consideration paid in obtaining the investments, the Group recognizes its share of the cash dividends or profit distribution declared by the investees as investment income.

(17) Investment properties

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is accounted for using the cost model and stated in the financial statements at cost less accumulated depreciation, and impairment losses (see Note 2(11)). The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale.

The estimated useful lives for the current and comparative years of significant items of investment properties are as follows:

Types of assets	Estimated useful lives	Estimated residual values	Depreciation rates
Buildings	20–35 years	5%	2.71%–4.75%

(18) Property and equipment and construction in progress

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

2 Significant accounting policies (continued)

(18) Property and equipment and construction in progress (continued)

(i) Recognition and measurement (continued)

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

Costs of construction in progress are determined based on the actual expenditures incurred which include all necessary expenditures incurred during the construction period, borrowing costs eligible for capitalisation and other costs incurred to bring the asset to its intended use.

Items classified as construction in progress are transferred to property and equipment when such assets are ready for their intended use.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line basis over their estimated useful lives.

Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative years of significant items of property and equipment are as follows:

Types of assets	Estimated useful lives	Estimated residual values	Depreciation rates
Buildings	20–35 years	5%	2.71%–4.75%
Motor vehicles	6 years	5%	15.83%
Machinery	10–11 years	5%	8.64%–9.50%
Electronic equipment	3–5 years	5%	19.00%–31.67%
Furniture and fixtures	5 years	5%	19.00%
Renovation	5 years	0%	20.00%

No depreciation is provided in respect of construction in progress.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2 Significant accounting policies (continued)

(19) Other intangible assets

Intangible assets are stated at cost less accumulated amortization (where the estimated useful life is finite) and impairment loss (see Note 2(11)). For an intangible asset with finite useful life, its cost less impairment loss is amortized on the straight-line method over its estimated useful life.

The respective amortization periods for major intangible assets during the reporting period are as follows:

Types of assets	Estimated useful lives
Software	3 years
Others	10–40 years

An intangible asset is regarded as having an indefinite useful life and is not amortized when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

(20) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(iii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

(iv) Termination benefits

Termination benefits are recognized as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the end of the reporting period, then they are discounted to their present value.

2 Significant accounting policies (continued)

(21) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

(ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for:

— temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

— temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

— taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2 Significant accounting policies (continued)

(21) Income tax (continued)

(iii) Tax exposures

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(22) Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(23) Fiduciary activities

The Group acts in a fiduciary activity as a manager, a custodian, or an agent for customers. Assets held by the Group and the related undertakings to return such assets to customers are recorded as off-balance sheet items as the risks and rewards of the assets reside with customers.

(24) Revenue recognition

Income is classified by the Group as revenue when it arises from the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognized when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Where the contract contains a variable consideration, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer and includes in the transaction price some or all of the variable consideration estimated, such that revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

2 Significant accounting policies (continued)

(24) Revenue recognition (continued)

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognized under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Commission income from brokerage business

Brokerage commission income is recognized on a trade date basis when the relevant transactions are executed. Handling and settlement fee income arising from brokerage business is recognized when the related services are rendered.

(ii) Underwriting and sponsoring fees

Underwriting fee is recognized when the Group has fulfilled its obligations under the underwriting contract.

Depending on contract terms, sponsoring fees are recognized progressively over time using a method that depicts the Group's performance, or at a point in time when the service is completed.

(iii) Advisory fees

Depending on the nature of the advisory services and the contract terms, advisory fees are recognized progressively over time using a method that depicts the Group's performance, or at a point in time when the advisory service is completed.

(iv) Asset management fees

Asset management fees include periodic management fees calculated based on assets under management and performance-based fees. The fees are recognized progressively over time using a method that depicts the Group's performance, to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

(v) Interest income

Interest income is recognized as it accrues using the effective interest method. For financial assets measured at amortized cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortized cost (i.e. gross carrying amount net of loss allowance) of the asset.

2 Significant accounting policies (continued)

(24) Revenue recognition (continued)

(vi) Dividend income

— Dividend income from unlisted investments is recognized when the shareholder's right to receive payment is established.

— Dividend income from listed investments is recognized when the share price of the investment goes ex-dividend.

(vii) Other income

Other income is recognized on an accrual basis.

(25) Expenses recognition

(i) Commission expenses

Commission expenses relate mainly to transactions, which are recognized as expenses when the services are received.

(ii) Interest expenses

Interest expenses are recognized based on the principal outstanding and at the effective interest rate applicable.

(iii) Other expenses

Other expenses are recognized on an accrual basis.

(26) Dividend distribution

Dividends or profit distributions proposed in the profit appropriation plan, which will be authorised and declared after the end of the reporting period, are not recognized as a liability at the end of the reporting period but disclosed in the notes to the consolidated financial statements separately.

(27) Government grants

Government grants are recognized initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant, and are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognized in profit or loss as other income on a systematic basis in the periods in which the expenses are recognized, unless the conditions for receiving the grant are met after the related expenses have been recognized. In this case, the grant is recognized when it becomes receivable.

(28) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

2 Significant accounting policies (continued)

(28) Related parties (continued)

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group;

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(29) Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose financial performance are regularly reviewed by the Group's management to make decisions about resource to be allocated to the segment and assess its performance, and for which financial information regarding financial performance is available.

Two or more operating segments may be aggregated into a single operating segment if the segments have same or similar economic characteristics and are similar in respect of the nature of each products and service, the nature of production processes, the type or class of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment.

Inter-segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting, and segment accounting policies are consistent with those for the Consolidated financial statements.

3 Taxation

The Group's main applicable taxes and tax rates are as follows:

Tax type	Tax basis	Tax rate
Value added tax ("VAT")(i)	Output VAT is calculated on product sales and taxable services revenue. The basis for VAT payable is to deduct input VAT from the output VAT for the period.	2%–17%
City maintenance and construction	Based on business tax and value added tax paid	5%–7%
Education surcharge	Based on business tax and value added tax paid	3%–5%
Income tax(ii)	Based on taxable profits	15%–25%

(i) According to Notice on Clarifying VAT Policies for Financial Services, Real Estate Development, and Educational Ancillary Services (Cai Shui [2016] No.140), Supplementary Notice on Issues concerning VAT Policies for Asset Management Products (Cai Shui [2017] No.2) and Notice on Issues Relating to VAT on Fund Management Products (Cai Shui [2017] No.56) issued by the Ministry of Finance and State Administration of Taxation, effective from 1 January 2018, the simple tax computation method shall apply in the interim to VAT taxable acts arising in the course of operation of fund management products by managers of fund management products (hereinafter referred to as the "managers"), and VAT shall be payable in accordance with the 3% levy rate.

(ii) The income tax rate applicable to the Company and its domestic subsidiaries is 25%. Taxes of other overseas subsidiaries are charged at the relevant local rates.

4 Fee and commission income

(a) Revenue streams

	2020	2019
Income from securities brokerage business	**6,668,523**	4,704,612
Income from underwriting and sponsorship business	**1,293,327**	914,439
Income from asset management business	**1,273,347**	1,293,748
Income from futures brokerage business	**582,368**	355,558
Income from financial advisory business	**238,169**	271,854
Total	**10,055,734**	7,540,211

4 Fee and commission income (continued)

(b) Disaggregation of revenue

In the following table, fee and commission income are disaggregated by timing of revenue recognition:

	2020		2019	
	At a point in time	**Over time**	At a point in time	Over time
Income from securities brokerage business	**6,668,523**	**—**	4,704,612	—
Income from asset management business	**—**	**1,273,347**	—	1,293,748
Income from underwriting and sponsorship business	**1,212,638**	**80,689**	891,216	23,223
Income from futures brokerage business	**582,368**	**—**	355,558	—
Income from financial advisory business	**192,012**	**46,157**	258,821	13,033
Total	**8,655,541**	**1,400,193**	6,210,207	1,330,004

5 Interest income

	2020	2019
Interest income from margin financing and securities lending	**4,600,702**	3,577,194
Interest income from debt instruments at fair value through other comprehensive income	**2,810,966**	1,715,991
Interest income from financial institutions	**2,448,782**	2,484,610
Interest income from securities-backed lending	**995,422**	2,096,216
Interest income from other financial assets held under resale agreements	**557,709**	497,819
Interest income from financial assets measured at amortized cost	**492,289**	654,972
Total	**11,905,870**	11,026,802

6 Net investment gains

	2020	2019
Net realised gains from disposal of financial instruments at fair value through other comprehensive income	**224,766**	451,704
Dividend income from financial instruments at fair value through other comprehensive income	**56,034**	451,772
Net realised gains from disposal of financial instruments at fair value through profit or loss	**267,580**	195,664
Dividend income and interest income from financial instruments at fair value through profit or loss	**5,478,125**	4,406,102
Net realised (losses)/gains from disposal of financial assets measured at amortized cost	**(1,714)**	4,891
Net realised losses from disposal of derivative financial instruments	**(429,795)**	(83,006)
Unrealised fair value changes of financial instruments at fair value through profit or loss	**930,558**	6,136
Unrealised fair value changes of derivative financial instruments	**41,162**	(107,389)
Total	**6,566,716**	5,325,874

7 Other income and gains

(a) Other income and gains streams

	2020	2019
Income from commodity trading business	**10,278,693**	8,890,705
Foreign exchange gains	**—**	202,522
Government grants[1]	**195,754**	146,571
Income from tax authorities for individual income tax withheld	**29,263**	38,199
Income from futures market-making	**23,880**	35,318
Rental income	**13,351**	20,560
Compensation received	**1,316**	822
Gains from disposal of property and equipment	**6,923**	661
Miscellaneous[2]	**78,873**	23,296
Total	**10,628,053**	9,358,654

(1) The government grants were received unconditionally by the Company and its subsidiaries from the local government where they reside.

(2) Miscellaneous comprise a number of items with small amounts and various natures arising from the Group's daily business operation.

7 Other income and gains (continued)

(b) Disaggregation of other income and gains

In the following table, other income and gains are disaggregated by timing of revenue recognition:

	2020		2019	
	At a point in time	**Over time**	At a point in time	Over time
Income from commodity trading business	**10,278,693**	**—**	8,890,705	—
Foreign exchange gains	**—**	**—**	202,522	—
Government grants	**195,754**	**—**	146,571	—
Income from tax authorities for individual income tax withheld	**29,263**	**—**	38,199	—
Income from futures market-making	**23,880**	**—**	35,318	—
Rental income	**—**	**13,351**	—	20,560
Compensation received	**1,316**	**—**	822	—
Gains from disposal of property and equipment	**6,923**	**—**	661	—
Miscellaneous	**78,873**	**—**	23,296	—
Total	**10,614,702**	**13,351**	9,338,094	20,560

8 Fee and commission expenses

	2020	2019
Expenses for securities brokerage business	**1,416,786**	1,009,304
Expenses for underwriting and sponsorship business	**107,086**	23,824
Expenses for asset management business	**8,789**	4,142
Expenses for futures brokerage business	**100,613**	93,264
Expenses for financial advisory business	**92**	16
Total	**1,633,366**	1,130,550

9 Interest expenses

	2020	2019
Interest expenses for		
— Long-term bonds	**4,182,552**	4,113,319
— Financial assets sold under repurchase agreements	**2,340,395**	2,430,300
— Short-term debt instruments issued	**720,913**	295,876
— Accounts payable to brokerage clients	**350,911**	282,887
— Placements from other financial institutions	**348,898**	346,181
— Loans and borrowings	**151,571**	84,533
— Other structured entities' holders	**141,964**	215,805
— Lease liabilities	**35,622**	32,501
— Others	**26,849**	5,726
Total	**8,299,675**	7,807,128

10 Staff costs

	2020	2019
Salaries, bonuses and allowances	**5,745,854**	4,722,165
Contribution to pension schemes	**145,154**	320,556
Other social welfare	**1,005,972**	948,735
Total	**6,896,980**	5,991,456

The domestic employees of the Group in the PRC participate in social welfare plans, including pension, medical, housing, and other welfare benefits, organised and administered by the governmental authorities. The Group also operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. According to the relevant regulations, the premiums and welfare benefits contributions that should be borne by the Group are calculated on regular basis and paid to the labour and social welfare authorities. These social welfare plans are defined contribution plans and contributions to the plans are expensed as incurred.

11 Depreciation and amortization expenses

	2020	2019
Depreciation of right-of-use assets	**324,967**	268,167
Depreciation of property and equipment	**156,247**	159,058
Amortization of other intangible assets	**80,593**	75,384
Amortization of long-term deferred expenses	**39,198**	46,831
Amortization of investment properties	**4,542**	4,430
Total	**605,547**	553,870

12 Other operating expenses

	2020	2019
Cost of commodity trading business	**10,074,842**	8,715,664
Administrative and office operating expenses	**207,820**	214,754
Funds and asset management plans distribution expenses	**188,528**	113,938
Promotion and entertainment expenses	**174,669**	106,541
Postal and communication expenses	**166,256**	155,200
IT expenses	**161,501**	130,389
Rental expenses and utilities	**120,565**	190,677
Investor protection funds and risk reserves for futures business	**118,491**	81,589
Stock exchanges management fees	**105,743**	82,337
Foreign exchange losses	**99,015**	—
Consulting and professional services	**79,269**	130,085
Business travel expenses	**65,129**	106,963
Donation and sponsorship	**39,942**	21,217
Transaction cost of structured entities	**14,990**	19,447
Auditors' remuneration	**9,542**	7,232
Losses on disposal of property and equipment	**3,500**	3,133
Labor protection fee	**2,309**	1,743
Compensation paid	**652**	528
Miscellaneous[1]	**53,424**	36,089
Total	**11,686,187**	10,117,526

(1) Miscellaneous comprise a number of items with small amounts and various natures arising from the Group's daily business operation.

13 Provision for impairment losses

	2020	2019
Provision for impairment losses against accounts receivable	**295,087**	203,574
Provision for impairment losses against financial assets held under resale agreements	**185,946**	161,015
Reversal of impairment losses against margin accounts receivable	**160,931**	(4,185)
Provision for impairment losses against financial assets measured at amortized cost	**89,626**	262,728
Provision for/(reversal of) impairment losses against other receivables and prepayments	**54,784**	(3,560)
Provision for impairment losses against financial assets at fair value through other comprehensive income	**11,104**	103,826
Provision for/(reversal of) impairment losses against cash and bank balances	**824**	(3,280)
Net provision for impairment loss on financial assets	**798,302**	720,118
Provision for/(reversal of) impairment losses against Inventory	**16,605**	(38,423)
Provision for impairment losses against Interest in associates and joint ventures	**—**	178,285
Net provision for impairment loss on other assets	**16,605**	139,862
Total	**814,907**	859,980

14 Income tax expense

(a) Taxation in the consolidated statements of profit or loss represents:

	2020	2019
Current tax		
— PRC income tax	**1,679,418**	1,758,775
— Hong Kong profits tax	**30,733**	20,359
	1,710,151	1,779,134
Adjustment in respect of prior years		
— PRC income tax	**(1,150)**	(26,862)
Deferred tax		
— Origination and reversal of temporary differences	**(236,872)**	(628,382)
Total	**1,472,129**	1,123,890

(b) Reconciliation between income tax expense and accounting profit at applicable tax rate:

	2020	2019
Profit before income tax	**9,348,467**	6,927,231
Notional tax calculated using the PRC statutory tax rate	**2,337,117**	1,731,808
Tax effect of non-deductible expenses	**47,976**	42,204
Tax effect of non-taxable income	**(879,228)**	(645,509)
Effect of different tax rates of subsidiaries	**(16,056)**	(13,012)
Temporary differences in deferred income tax not recognized in the current period	**4,193**	2,241
Tax effect of recognition of previously unrecognized temporary differences	**(2,270)**	(9,260)
Adjustment for prior years	**(1,150)**	(26,862)
Others	**(18,453)**	42,280
Actual income tax expense	**1,472,129**	1,123,890

15 Directors' and supervisors' remuneration

The remuneration of directors and supervisors paid by the Group who held office during the Year ended 31 December 2020 is as follows:

	2020			
Name	Directors' fees	Salaries, allowances, benefits in kind and contribution to pension	Discretionary bonuses	Total
Directors				
Chu Xiaoming[1]	—	1,491	2,299	3,790
Yang Wenqing[2]	—	1,425	551	1,976
Xu Zhibing[3]	—	1,394	1,661	3,055
Chen Jianmin[4]	—	—	—	—
Wang Honggang[5]	—	—	—	—
Ge Rongrong[6]	—	—	—	—
Ren Xiaotao[7]	—	—	—	—
Zhang Yigang[8]	—	—	—	—
Wang Fengchao[9]	—	—	—	—
Independent directors				
Ye Mei[10]	180	—	—	180
Xie Rong[11]	180	—	—	180
Huang Danhan[12]	150	—	—	150
Yang Xiaowen[13]	25	—	—	25
Yang Qiumei[14]	125	—	—	125
Supervisors				
Xu Yiyang[15]	—	1,491	2,028	3,519
Wen Feng[16]	—	—	—	—
Gong Bo[17]	—	—	—	—
Wei Yong[18]	—	—	—	—
Huang Qi[19]	—	946	871	1,817
Wang Yanyang[20]	—	889	849	1,738
Xie Kun[21]	—	1,032	1,041	2,073
An Gejun[22]	—	642	520	1,162
Total	660	9,310	9,820	19,790

15 Directors' and supervisors' remuneration (continued)

	2019			
Name	Directors' fees	Salaries, allowances, benefits in kind and Contribution to pension	Discretionary bonuses	Total
Directors				
Chu Xiaoming[1]	—	1,714	1,949	3,663
Yang Wenqing[2]	—	1,217	—	1,217
Feng Rong	—	513	1,260	1,773
Chen Liang	—	971	1,898	2,869
Qu Yanping	—	—	—	—
Wang Honggang[5]	—	—	—	—
Chen Jianmin[4]	—	—	—	—
Wang Fengchao[9]	—	—	—	—
Ge Rongrong[6]	—	—	—	—
Ren Xiaotao[7]	—	—	—	—
Independent directors				
Ye Mei[10]	180	—	—	180
Xie Rong[11]	180	—	—	180
Huang Danhan[12]	150	—	—	150
Yang Qiumei[14]	138	—	—	138
Supervisors				
Yang Yucheng	—	1,108	1,834	2,942
Xu Yiyang[15]	—	308	—	308
Wen Feng[16]	—	—	—	—
Gong Bo[17]	—	—	—	—
Wei Yong[18]	—	—	—	—
Huang Qi[19]	—	1,202	800	2,002
Wang Yanyang[20]	—	1,141	850	1,991
Xie Kun[21]	—	1,234	890	2,124
An Gejun[22]	—	911	337	1,248
Total	648	10,319	9,818	20,785

(1) Appointed as director in December 2010.

(2) Appointed as director in March 2019.

15 Directors' and supervisors' remuneration (continued)

(3) Appointed as director in June 2020 and resigned as director in December 2020.

(4) Appointed as director in February 2017.

(5) Appointed as director in September 2016.

(6) Appointed as director in March 2019.

(7) Appointed as director in March 2019.

(8) Appointed as director in June 2020.

(9) Appointed as director in January 2019 and resigned as director in June 2020.

(10) Appointed as independent director in December 2012.

(11) Appointed as independent director in December 2012.

(12) Appointed as independent director in December 2012.

(13) Appointed as independent director in November 2020.

(14) Appointed as independent director in February 2019 and resigned as independent director in November 2020.

(15) Appointed as supervisor in October 2019.

(16) Appointed as supervisor in February 2015.

(17) Appointed as supervisor in December 2012.

(18) Appointed as supervisor in September 2016.

(19) Appointed as supervisor in May 2015.

(20) Appointed as supervisor in May 2016.

(21) Appointed as supervisor in May 2015.

(22) Appointed as supervisor in May 2015.

There were no amounts paid during the year ended 31 December 2020 to the directors and supervisors in connection with their retirement from employment or compensation for loss of office with the Group, or inducement to join. There was no arrangement under which a director or a supervisor waived or agreed to waive any remuneration during the year ended 31 December 2020.

16 Individuals with highest emoluments

Of the five individuals with the highest emoluments, none of them are directors or supervisors whose emoluments are disclosed in Note 15. The aggregate of the emoluments are as follows:

	2020	2019
Salaries and allowances	**6,139**	5,847
Discretionary bonuses	**37,476**	32,654
Employer's contribution to pension schemes	**467**	592
Total	**44,082**	39,093

The emoluments with the highest emoluments are within the following bands:

	2020	2019
	Number of individuals	Number of individuals
HKD6,000,001 to HKD7,000,000	**—**	1
HKD7,000,001 to HKD8,000,000	**—**	—
HKD8,000,001 to HKD9,000,000	**2**	2
HKD9,000,001 to HKD10,000,000	**1**	1
HKD10,000,001 to HKD11,000,000	**1**	—
HKD11,000,001 to HKD12,000,000	**—**	1
HKD12,000,001 to HKD13,000,000	**1**	—
HKD13,000,001 to HKD14,000,000	**—**	—
HKD14,000,001 to HKD15,000,000	**—**	—
HKD15,000,001 to HKD16,000,000	**—**	—
HKD16,000,001 to HKD17,000,000	**—**	—

No emoluments are paid or payable to these individuals as retirement from employment or as an inducement to join or upon joining the Company or as compensation for loss of office during the year ended 31 December 2020.

17 Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to shareholders of the Company by the weighted average number of ordinary shares in issue.

	2020	2019
Profit attributable to shareholders of the Company	**7,766,175**	5,735,413
Weighted average number of ordinary shares in issue (thousands)	**25,039,945**	24,205,278
Basic and diluted earnings per share attributable to equity shareholders (in Renminbi per share)	**0.3102**	0.2369

During the year ended 31 December 2020, there were no potential dilutive ordinary shares, so the diluted earnings per share were the same as the basic earnings per share.

18 Property and equipment

	Buildings	Motor vehicles	Machinery	Electronic equipment	Furniture and fixtures	Renovation	Construction in progress	Total
Cost								
As at 1 January 2020	**1,669,083**	**97,197**	**20,836**	**1,107,873**	**75,854**	**88,671**	**144,166**	**3,203,680**
Additions	**903**	**3,456**	**104**	**115,721**	**12,369**	**–**	**184,385**	**316,938**
Transfer during the year	**38,231**	**–**	**–**	**–**	**–**	**–**	**(170,398)**	**(132,167)**
Disposals	**–**	**(46,233)**	**(1,392)**	**(85,289)**	**(3,910)**	**(3,388)**	**–**	**(140,212)**
As at 31 December 2020	**1,708,217**	**54,420**	**19,548**	**1,138,305**	**84,313**	**85,283**	**158,153**	**3,248,239**
Accumulated depreciation								
As at 1 January 2020	**(758,462)**	**(85,231)**	**(16,963)**	**(904,053)**	**(69,506)**	**(71,921)**	**–**	**(1,906,136)**
Transfer during the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Charge for the year	**(53,395)**	**(2,390)**	**(768)**	**(84,815)**	**(6,386)**	**(8,493)**	**–**	**(156,247)**
Disposals	**–**	**41,271**	**1,035**	**78,307**	**3,627**	**3,346**	**–**	**127,586**
As at 31 December 2020	**(811,857)**	**(46,350)**	**(16,696)**	**(910,561)**	**(72,265)**	**(77,068)**	**–**	**(1,934,797)**
Impairment								
As at 1 January 2020	**(18,153)**	**–**	**–**	**–**	**–**	**–**	**–**	**(18,153)**
As at 31 December 2020	**(18,153)**	**–**	**–**	**–**	**–**	**–**	**–**	**(18,153)**
Carrying amount								
As at 31 December 2020	**878,207**	**8,070**	**2,852**	**227,744**	**12,048**	**8,215**	**158,153**	**1,295,289**

18 Property and equipment (continued)

	Buildings	Motor vehicles	Machinery	Electronic equipment	Furniture and fixtures	Renovation	Construction in progress	Total
Cost								
As at 1 January 2019	1,682,132	102,951	21,640	1,109,232	70,890	93,118	110,464	3,190,427
Additions	–	3,044	130	59,196	6,221	176	140,871	209,638
Transfer during the year	(5,462)	–	–	8,527	46	739	(107,169)	(103,319)
Disposals	(7,587)	(8,798)	(934)	(69,082)	(1,303)	(5,362)	–	(93,066)
As at 31 December 2019	1,669,083	97,197	20,836	1,107,873	75,854	88,671	144,166	3,203,680
Accumulated depreciation								
As at 1 January 2019	(677,086)	(88,558)	(16,821)	(883,953)	(63,521)	(68,396)	–	(1,798,335)
Transfer during the year	(32,009)	–	–	–	–	–	–	(32,009)
Charge for the year	(51,023)	(4,847)	(927)	(86,161)	(7,226)	(8,874)	–	(159,058)
Disposals	1,656	8,174	785	66,061	1,241	5,349	–	83,266
As at 31 December 2019	(758,462)	(85,231)	(16,963)	(904,053)	(69,506)	(71,921)	–	(1,906,136)
Impairment								
As at 1 January 2019	(18,153)	–	–	–	–	–	–	(18,153)
As at 31 December 2019	(18,153)	–	–	–	–	–	–	(18,153)
Carrying amount								
As at 31 December 2019	892,468	11,966	3,873	203,820	6,348	16,750	144,166	1,279,391

As at the end of 31 December 2020 and 2019, included in buildings, there is a carrying amount of RMB19,979 thousand and RMB20,693 thousand respectively, for which the Group has yet to obtain the relevant land or building certificates.

19 Right-of-use assets

	Right-of-use assets
Cost	
As at 1 January 2020	**1,054,504**
Increases	**395,824**
Decreases	**(114,984)**
As at 31 December 2020	**1,335,344**
Accumulated depreciation	
As at 1 January 2020	**(260,679)**
Charge for the period	**(324,967)**
Decreases	**114,984**
As at 31 December 2020	**(470,662)**
Carrying amount	
As at 31 December 2020	**864,682**

	Right-of-use assets
Cost	
As at 1 January 2019	866,295
Increases	195,697
Decreases	(7,488)
As at 31 December 2019	1,054,504
Accumulated depreciation	
As at 1 January 2019	—
Charge for the year	(268,167)
Decreases	7,488
As at 31 December 2019	(260,679)
Carrying amount	
As at 31 December 2019	793,825

20 Investment properties

	Buildings
Cost	
As at 1 January 2020	**119,662**
Disposals	**(38,231)**
As at 31 December 2020	**81,431**
Accumulated amortization	
As at 1 January 2020	**(19,938)**
Charge for the year	**(4,542)**
As at 31 December 2020	**(24,480)**
Carrying amount	
As at 31 December 2020	**56,951**

	Buildings
Cost	
As at 1 January 2019	114,200
Additions	64,626
Disposals	(59,164)
As at 31 December 2019	119,662
Accumulated amortization	
As at 1 January 2019	(47,517)
Charge for the year	(4,430)
Transfer for the year	(21,203)
Disposals	53,212
As at 31 December 2019	(19,938)
Carrying amount	
As at 31 December 2019	99,724

21 Other intangible assets

	Software	Others[1]	Total
Cost			
As at 1 January 2020	**524,839**	**330,385**	**855,224**
Additions	**123,202**	**1,579**	**124,781**
As at 31 December 2020	**648,041**	**331,964**	**980,005**
Accumulated amortization			
As at 1 January 2020	**(401,237)**	**(309,596)**	**(710,833)**
Charge for the year	**(78,042)**	**(2,551)**	**(80,593)**
As at 31 December 2020	**(479,279)**	**(312,147)**	**(791,426)**
Impairment			
As at 1 January 2020	**—**	**(676)**	**(676)**
As at 31 December 2020	**—**	**(676)**	**(676)**
Carrying amount			
As at 31 December 2020	**168,762**	**19,141**	**187,903**

	Software	Others[1]	Total
Cost			
As at 1 January 2019	455,013	330,097	785,110
Additions	70,064	288	70,352
Disposals	(238)	—	(238)
As at 31 December 2019	524,839	330,385	855,224
Accumulated amortization			
As at 1 January 2019	(331,124)	(304,561)	(635,685)
Charge for the year	(70,349)	(5,035)	(75,384)
Disposals	236	—	236
As at 31 December 2019	(401,237)	(309,596)	(710,833)
Impairment			
As at 1 January 2019	—	(676)	(676)
As at 31 December 2019	—	(676)	(676)
Carrying amount			
As at 31 December 2019	123,602	20,113	143,715

(1) The carrying amount of others mainly represent trading seats rights and premise and land use rights. Trading seats rights have indefinite useful life and are not amortized, and premise and land use rights are amortized over 10–40 years.

22 Investments in subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name of company	Place of incorporation and operation and date of incorporation	Type of legal entity	Issued and fully paid-up capital (in thousands)	Effective equity interest held as at 31 December 2020	Effective equity interest held as at 31 December 2019	Principal activities	Auditor[2] and GAAP as at 31 December 2020	Auditor[2] and GAAP as at 31 December 2019
Shenwan Hongyuan Securities Co., Ltd.* 申萬宏源證券有限公司[1]	PRC 16 January 2015	Limited Liability Company	RMB47,000,000	100%	100%	Securities brokerage and investment advisory, margin trading and securities lending, proprietary trading, securities asset management and others	KPMG PRC PRC GAAP	KPMG PRC PRC GAAP
Shenwan Hongyuan Securities (Western) Co., Ltd.* 申萬宏源西部證券有限公司	PRC 20 January 2015	Limited Liability Company	RMB4,700,000	100%	100%	Securities brokerage and margin financing	KPMG PRC PRC GAAP	KPMG PRC PRC GAAP
Shenwan Hongyuan Financing Services Co., Ltd.* 申萬宏源證券承銷保薦有限責任公司	PRC 20 January 2015	Limited Liability Company	RMB1,000,000	100%	100%	Securities underwriting and sponsoring business	KPMG PRC PRC GAAP	KPMG PRC PRC GAAP
Shenwan Hongyuan (International) Holdings Limited 申萬宏源（國際）集團有限公司	Hong Kong 29 October 1992	Private company limited by shares	HKD2,253,399	100%	100%	Investment holding	KPMG HKFRS	KPMG HKFRS
Shenwan Hongyuan (H.K.) Limited 申萬宏源（香港）有限公司	Hong Kong 18 August 1972	Public company limited by shares	HKD2,782,477	64.90%[3]	64.90%[3]	Securities brokerage, corporate finance, asset management, financing and loan investment and other businesses	KPMG HKFRS	KPMG HKFRS
Shenyin & Wanguo Investment Co., Ltd.* 申銀萬國投資有限公司	PRC 9 April 2009	Limited Liability Company	RMB1,000,000	100%	100%	Investment advisory and wealth management	SCPA PRC GAAP	SCPA PRC GAAP

22 Investments in subsidiaries (continued)

Name of company	Place of incorporation and operation and date of incorporation	Type of legal entity	Issued and fully paid-up capital (in thousands)	Effective equity interest held As at 31 December 2020	Effective equity interest held As at 31 December 2019	Principal activities	Auditor[2] and GAAP As at 31 December 2020	Auditor[2] and GAAP As at 31 December 2019
SWS Research Co., Ltd.* 上海申銀萬國證券研究所有限公司	PRC 16 October 1992	Limited Liability Company	RMB20,000	90%	90%	Investment research	SCPA PRC GAAP	SCPA PRC GAAP
Shenyin & Wanguo Alternative Investment Co., Ltd.* 申銀萬國創新證券投資有限公司	PRC 29 May 2013	Limited Liability Company	RMB2,000,000	100%	100%	Investment management and investment advisory services	SCPA PRC GAAP	SCPA PRC GAAP
SWS MU Fund Management Co., Ltd.* 申萬菱信基金管理有限公司	PRC 15 January 2004	Limited Liability Company	RMB150,000	67%	67%	Fund management	KPMG PRC PRC GAAP	KPMG PRC PRC GAAP
Shenwan Hongyuan Investment Co LTD.* 申萬宏源投資有限公司[1]	PRC 21 January 2015	Limited Liability Company	RMB–	100%	100%	Investment management	N/A	N/A
Shenyin & Wanguo Futures Company Limited.* 申銀萬國期貨有限公司	PRC 7 January 1993	Limited Liability Company	RMB1,119,371	97.25%	97.25%	Futures brokerage	SCPA PRC GAAP	SCPA PRC GAAP
Shenwan Hongyuan Investment Management Co., Ltd.* 申萬宏源產業投資管理有限責任公司[1]	PRC 21 January 2015	Limited Liability Company	RMB200,000	100%	100%	Investment advisory	KPMG PRC PRC GAAP	KPMG PRC PRC GAAP
Ningxia Shenhong Modern Agriculture Industry Fund Management Co., Ltd.* 寧夏申宏現代農業產業基金管理有限公司	PRC 14 July 2016	Limited Liability Company	RMB60	51%	51%	Investment management and corporate finance advisory	JONTEN CPA PRC GAAP	JONTEN CPA PRC GAAP

22 Investments in subsidiaries (continued)

Name of company	Place of incorporation and operation and date of incorporation	Type of legal entity	Issued and fully paid-up capital (in thousands)	Effective equity interest held As at 31 December 2020	Effective equity interest held As at 31 December 2019	Principal activities	Auditor[2] and GAAP As at 31 December 2020	Auditor[2] and GAAP As at 31 December 2019
Hongyuan Futures Co., Ltd.* 宏源期貨有限公司[1]	PRC 2 May 1995	Limited Liability Company	RMB1,000,000	100%	100%	Futures brokerage	KPMG PRC PRC GAAP	KPMG PRC PRC GAAP
Hongyuan Hengli (Shanghai) Co., Ltd.* 宏源恒利（上海）實業有限公司	PRC 18 June 2013	Limited Liability Company	RMB500,000	100%	100%	Risk management service	KPMG PRC PRC GAAP	KPMG PRC PRC GAAP
Hongyuan Huizhi Investment Co., Ltd.* 宏源匯智投資有限公司[1]	PRC 27 March 2012	Limited Liability Company	RMB2,000,000	100%	100%	Investment management	KPMG PRC PRC GAAP	KPMG PRC PRC GAAP
Hongyuan Huifu Venture Investment Co., Ltd.* 宏源匯富創業投資有限公司[1]	PRC 19 March 2010	Limited Liability Company	RMB500,000	100%	100%	Venture capital	KPMG PRC PRC GAAP	KPMG PRC PRC GAAP
Hongyuan Cycle Energy Investment management (Beijing) Co., Ltd.* 宏源循環能源投資管理（北京）有限公司	PRC 1 July 2013	Limited Liability Company	RMB10,000	100%	100%	Investment management	KPMG PRC PRC GAAP	KPMG PRC PRC GAAP
Beijing Hongtong Investment Management Co., Ltd.* 北京宏通投資管理有限公司	PRC 15 August 2017	Limited Liability Company	RMB10,000	51%	51%	Investment management	KPMG PRC PRC GAAP	KPMG PRC PRC GAAP
Hunan Xianghui Private Equity Fund Management Co., Ltd.* 湖南湘匯私募股權基金管理有限公司	PRC 7 December 2017	Limited Liability Company	RMB6,120	100%	51%	Investment management	N/A	N/A

22 Investments in subsidiaries (continued)

Name of company	Place of incorporation and operation and date of incorporation	Type of legal entity	Issued and fully paid-up capital (in thousands)	Effective equity interest held As at 31 December 2020	Effective equity interest held As at 31 December 2019	Principal activities	Auditor[2] and GAAP As at 31 December 2020	Auditor[2] and GAAP As at 31 December 2019
Sichuan Shenwan Hongyuan Changhong Equity Investment Management Co., Ltd.* 四川申萬宏源長虹股權投資管理有限公司	PRC 19 January 2016	Limited Liability Company	RMB20,000	60%	60%	Investment management	APAGCPA PRC GAAP	APAGCPA PRC GAAP
Shenwan Hongyuan Development Chengdu Equity Investment Management Co., Ltd.* 申萬宏源發展成都股權投資管理有限公司	PRC 13 December 2016	Limited Liability Company	RMB30,000	51%	51%	Investment management	APAGCPA PRC GAAP	APAGCPA PRC GAAP
Shenyin & Wanguo Jiaotou Integration of Industry (Shanghai) Investment Management Co., Ltd.* 申銀萬國交投產融（上海）投資管理有限公司	PRC 25 July 2014	Limited Liability Company	RMB10,000	51%	51%	Investment management	APAGCPA PRC GAAP	APAGCPA PRC GAAP
Sichuan Chuantou Information Industry Shenwan Hongyuan Equity Investment Management Co., Ltd.* 四川川投信產申萬宏源股權投資管理有限公司	PRC 17 July 2019	Limited Liability Company	RMB10,000	51%	51%	Investment management	APAGCPA PRC GAAP	APAGCPA PRC GAAP

22 Investments in subsidiaries (continued)

Name of company	Place of incorporation and operation and date of incorporation	Type of legal entity	Issued and fully paid-up capital (in thousands)	Effective equity interest held As at 31 December 2020	Effective equity interest held As at 31 December 2019	Principal activities	Auditor[2] and GAAP As at 31 December 2020	Auditor[2] and GAAP As at 31 December 2019
Chengdu Shenhong Eying Equity Investment Fund Management Co., Ltd. * 成都申宏峨影股權投資基金管理有限公司	PRC 27 March 2019	Limited Liability Company	RMB2,000	**51%**	51%	Investment management	**N/A**	N/A

* The English translation of the names is for reference only. The official names of these entities are in Chinese.

The Group acts as principal of several structured entities during the Year ended 31 December 2020, according to relevant accounting policies of the Group, these structured entities were included in the Consolidated financial statements. More detailed information of consolidated structured entities is disclosed in Note 55.

(1) These subsidiaries are directly held by the Company.

(2) Auditors of the respective subsidiaries of the Group are as follows:

- KPMG PRC represents KPMG Huazhen LLP, a firm of certified public accountants registered in the PRC;
- KPMG represents KPMG in Hong Kong, a firm of certified public accountants registered in Hong Kong;
- PwC PRC represents PwC Zhong Tian LLP, a firm of certified public accountants registered in the PRC;
- SCPA represents SCPA LLP, a firm of certified public accountants registered in the PRC;
- JONTENCPA represents Jonten Certified Public Accountants LLP, a firm of certified public accountants registered in the PRC;
- APAGCPA represents Asia Pacific (Group) CPAs (special general partnership), a firm of certified public accountants registered in the PRC;

(3) During the Year ended 31 December 2020, Shenwan Hongyuan Holdings (B.V.I.) Limited ("SWHYHBVI") directly owns 25.78% of the interests of Shenwan Hongyuan (H.K.) Limited. SWHYHBVI is held directly as to 60.82% by Venture-Some Investments Limited ("VSI"). VSI is wholly-owned by Shenwan Hongyuan (International) Holdings Limited which is in turn a wholly-owned subsidiary of Shenwan Hongyuan Securities Co., Ltd. Shenwan Hongyuan Securities Co., Ltd is wholly-owned by Shenwan Hongyuan Group Co., Ltd. In addition, Shenwan Hongyuan (International) Holdings Limited also holds directly 49.22% of the interests of Shenwan Hongyuan (H.K.) Limited. Therefore Shenwan Hongyuan (H.K.) Limited is controlled by the Group.

22 Investments in subsidiaries (continued)

The following table lists out the information related to major subsidiaries of the Group which have material non-controlling interest ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

Shenwan Hongyuan (H.K.) Limited

	As at 31 December	
	2020	2019
NCI percentage	**35.10%**	35.10%
Assets	**13,709,115**	9,165,351
Liabilities	**(10,310,013)**	(5,654,484)
Net assets	**3,399,102**	3,510,867
Carrying amount of NCI	**1,193,085**	1,232,314
Revenue	**742,864**	594,865
Profit for the year	**156,188**	120,335
Other comprehensive income	**(8,398)**	21,272
Total comprehensive income	**147,790**	141,607
Total comprehensive income attributable to NCI	**51,874**	49,704
Dividend paid to NCI	**19,493**	9,650
Cash flows used in operating activities	**(3,621,973)**	(1,358,551)

SWS MU Fund Management Co., Ltd.

	As at 31 December	
	2020	2019
NCI percentage	**33.00%**	33.00%
Assets	**1,303,146**	1,030,514
Liabilities	**(319,405)**	(150,583)
Net assets	**983,741**	879,931
Carrying amount of NCI	**324,635**	290,377
Revenue	**538,778**	345,493
Profit for the year	**103,810**	63,196
Total comprehensive income	**103,810**	63,196
Total comprehensive income attributable to NCI	**34,257**	20,855
Cash flows generated from operating activities	**125,103**	35,619

23 Interest in associates and joint ventures

	As at 31 December	
	2020	2019
Share of net assets	**4,884,799**	2,667,535
Less: Impairment losses	**(178,285)**	(178,285)
Total	**4,706,514**	2,489,250

The following list contains the particulars of material associates and joint ventures, all of which are unlisted enterprises whose quoted market price is not available:

Name of associates and joint ventures	Place of incorporation	Paid-up capital (in thousands)	**Effective equity interest held As at 31 December 2020**	2019	Principal activity
Fullgoal Fund Management Co., Ltd.* 富國基金管理有限公司	Shanghai	RMB520,000	**27.775%**	27.775%	Fund management
Beijing Urban Construction (Wuhu) Equity Investment management Co., Ltd.* 北京城建（蕪湖）股權投資管理有限公司	Wuhu	RMB100,000	**30.00%**	30.00%	Investment management
Xinjiang Tianshan Industrial Investment Fund Management Co., Ltd.* 新疆天山產業投資基金管理有限公司	Urumchi	RMB50,000	**30.00%**	30.00%	Investment management
Horgos Tianshan No. 1 Industrial Investment Fund Limited Partnership* 霍爾果斯天山一號產業投資基金有限合夥企業	Horgos	RMB1,510,000	**33.11%**	33.11%	Equity management
Xinjiang Financial Investment Asset Management Co., Ltd.*(1) 新疆金投資產管理股份有限公司(1)	Urumchi	RMB1,000,000	**18.00%**	18.00%	Assets management
Shenwan & Hongyuan Asset Management (Shanghai) Co., Ltd.* 申萬宏源資本管理（上海）有限公司	Shanghai	RMB10,000	**40.00%**	40.00%	Assets management
Henan Guochuang Mixed Reform Fund Management Co., Ltd.* 河南省國創混改基金管理有限公司	Zhengzhou	RMB5,000	**30.00%**	30.00%	Investment management
Jiaxing Mingmao Investment Partnership (Limited Partnership)* 嘉興明茂投資合夥企業（有限合夥）	Jiaxing	RMB720,000	**49.93%**	49.93%	Equity management

23 Interest in associates and joint ventures (continued)

Name of associates and joint ventures	Place of incorporation	Paid-up capital (in thousands)	Effective equity interest held As at 31 December 2020	Effective equity interest held As at 31 December 2019	Principal activity
Tongxiang Shenwan Hongding Growth No. 2 Equity Investment Fund Partnership (Limited Partnership)[1] 桐鄉申萬泓鼎成長二號股權投資基金合夥企業（有限合夥）[1]	Jiaxing	RMB163,000	**13.16%**	24.87%	Equity management
Chongqing Furong Equity Investment Fund Partnership (Limited Partnership)[1] 重慶市富榮股權投資基金合夥企業（有限合夥）[1]	Chongqing	RMB50,000	**1.00%**	2.00%	Equity management
Shenhong Huichuang Development (Foshan) Equity Investment Partnership (Limited Partnership) 申宏匯創發展（佛山）股權投資合夥企業（有限合夥）	Foshan	RMB80,000	**31.00%**	—	Equity management
Hengxi (Jiaxing) Equity Investment Partnership (Limited Partnership) 恆禧（嘉興）股權投資合夥企業（有限合夥）	Jiaxing	RMB2,050,000	**20.44%**	—	Equity management
Yibin State-owned Assets Industry Investment Partnership (Limited Partnership)[1] 宜賓市國資產業投資合夥企業（有限合夥）[1]	Yibin	RMB2,020,000	**0.99%**	—	Equity management
Hongyuan Equity Investment Management (Shandong) Co., Ltd 泓源股權投資管理（山東）有限公司	Yantai	RMB10,000	**20.00%**	—	Investment management
Guangzhou Mingyue Real Estate Co., Ltd 廣州洺悦置業有限公司	Guangzhou	RMB100,000	**30.00%**	—	Real estate development
Nanjing Rhode Huizhi Equity Investment Partnership (Limited Partnership) 南京洛德匯智股權投資合夥企業（有限合夥）	Nanjing	RMB1,202,000	**20.00%**	—	Equity management
Shenzhen Shenwan Jiaotou West Growth No. 1 Equity Investment Fund Partnership (Limited Partnership)*[1] 深圳申萬交投西部成長一號股權投資基金合夥企業（有限合夥）[1]	Shenzhen	RMB58,000	**17.54%**	17.54%	Equity management

23 Interest in associates and joint ventures (continued)

Name of associates and joint ventures	Place of incorporation	Paid-up capital (in thousands)	Effective equity interest held As at 31 December 2020	Effective equity interest held As at 31 December 2019	Principal activity
Shanghai Shenwan & Hongyuan Jiashi Equity Investment Partnership (Limited partnership)* 上海申萬宏源嘉實股權投資合夥企業（有限合夥）	Shanghai	RMB100,000	**31.00%**	31.00%	Equity management
Xiamen Xiangyu Hongding Modern Logistics Partnership (Limited Partnership)* 廈門市象嶼泓鼎現代物流合夥企業（有限合夥）	Xiamen	RMB21,000	**50.00%**	50.00%	Equity management
Sichuan Shenwan & Hongyuan Changhong Equity Investment Fund Partnership (Limited Partnership)*(2) 四川申萬宏源長虹股權投資基金合夥企業（有限合夥）(2)	Mianyang	RMB310,000	**51.61%**	51.61%	Equity management
Sichuan Development Shenwan & Hongyuan Equity Investment Fund Partnership (Limited Partnership)* 四川發展申萬宏源股權投資基金合夥企業（有限合夥）	Chengdu	RMB300,000	**34.00%**	34.00%	Equity management
Liaoning Guoxin Industrial Investment Fund Management Co., Ltd.* 遼寧國鑫產業投資基金管理有限公司	Shenyang	RMB10,000	**26.00%**	26.00%	Investment management
Sichuan Development Securities Investment Fund Management Co., Ltd.* 四川發展證券投資基金管理有限公司	Chengdu	RMB20,000	**40.00%**	40.00%	Fund management
Zhuhai Shenhong Gejin Healthcare Investment Fund Partnership (Limited Partnership)* 珠海申宏格金醫療健康產業投資基金合夥企業（有限合夥）	Zhuhai	RMB251,000	**25.00%**	25.00%	Equity management

23 Interest in associates and joint ventures (continued)

Name of associates and joint ventures	Place of incorporation	Paid-up capital (in thousands)	Effective equity interest held As at 31 December 2020	Effective equity interest held As at 31 December 2019	Principal activity
Aerospace Equity Investment Fund I (Shanghai) Partnership (Limited Partnership) 宇航一期股權投資基金（上海）合夥企業（有限合夥）	Shanghai	RMB705,000	**30.00%**	—	Equity management
Jinmao Investment Consulting (Shenzhen) Co., Ltd. 金茂投資諮詢（深圳）有限公司	Shenzhen	RMB25,000	**50.00%**	—	Investment advisory
Shanghai Eastern Airlines Shenhong Equity Investment Fund Management Co. Ltd. 上海東航申宏股權投資基金管理有限公司	Shanghai	RMB3,000	**40.00%**	—	Equity management
Jiaxing Linmao No. 1 Investment Partnership (Limited Partnership) 嘉興麟茂壹號投資合夥企業(有限合夥)	Jiaxing	RMB472,000	**50.00%**	—	Investment management
Nanjing Shenhong Zhongyu No.1 Equity Investment Partnership (Limited Partnership) 南京申宏中裕一號股權投資合夥企業(有限合夥）	Nanjing	RMB700,000	**25.04%**	—	Equity management
Gongqing City Shenhong Huichuang Logistics Industry Equity Investment Partnership (Limited Partnership) 共青城申宏匯創物流產業股權投資合夥企業（有限合夥）	Jiujiang	RMB41,000	**37.51%**	—	Equity management

* The English translation of the names is for reference only. The official names of these entities are in Chinese.

(1) The Group's shareholding of this investee is lower than 20%, however the Group has significant influence or joint control over this investee as a result of relevant arrangements stipulated in the Articles of Association, the Limited Partnership Agreement and other corporate governance documents.

(2) The Group's shareholding of this investee is higher than 50%, however the Group only has significant influence or joint control over this investee as a result of relevant arrangements stipulated in the Limited Partnership Agreement and other corporate governance documents.

All of the above associates and joint ventures are accounted for using equity method in the consolidated financial statements.

23 Interest in associates and joint ventures (continued)

Summarised financial information of the Group's material associates and joint ventures, and reconciliation to the carrying amounts in the Consolidated financial statements, are disclosed below:

Fullgoal Fund Management Co., Ltd.

	As at 31 December	
	2020	2019
Gross amounts of the associate:		
Assets	**8,745,650**	5,655,703
Liabilities	**(3,530,641)**	(1,711,019)
Net assets	**5,215,009**	3,944,684
Revenue	**5,317,245**	2,854,916
Profit for the year	**1,651,623**	791,356
Other comprehensive income	**(12,439)**	20,349
Other adjustments	**(8,213)**	385
Total comprehensive income	**1,630,971**	812,090
Dividend received from the associate	**100,268**	72,215
Reconciled to the Group's interest in the associate:		
Net assets	**5,215,009**	3,944,684
The Group's effective interest	**27.775%**	27.775%
The Group's share of net assets of the associate	**1,448,469**	1,095,636
Other adjustments	**368**	466
Carrying amount in the Consolidated financial report	**1,448,837**	1,096,102

23 Interest in associates and joint ventures (continued)

Horgos Tianshan No. 1 Industrial Investment Fund Limited Partnership

	As at 31 December	
	2020	2019
Gross amounts of the associate:		
Assets	**413,847**	1,662,343
Liabilities	**(31,428)**	(31,520)
Net assets	**382,419**	1,630,823
Revenue	**—**	—
Profit for the year	**(819,751)**	30,917
Other comprehensive income	**—**	—
Other adjustments	**—**	—
Total comprehensive income	**(819,751)**	30,917
Dividend received from the associate	**—**	—
Reconciled to the Group's interest in the associate:		
Net assets	**382,419**	1,630,823
The Group's effective interest	**33.11%**	33.11%
The Group's share of net assets of the associate	**126,619**	539,966
Less: Impairment losses	**—**	(178,285)
Other adjustments	**(36,358)**	—
Carrying amount in the Consolidated financial statements	**90,261**	361,681

Aggregated information of associates and joint ventures that are not individually material:

	As at 31 December	
	2020	2019
Aggregate carrying amount of individually immaterial associates and joint ventures in the Consolidated financial statements	**3,167,416**	1,031,467
Aggregate amounts of the Group's share of those associates and joint ventures' profits	**98,527**	51,833
Total comprehensive income	**98,527**	51,833

24 Financial assets measured at amortized cost

(a) Analysed by nature:

Non-current

	As at 31 December	
	2020	2019
Wealth management products and others	**2,509,175**	2,239,186
Debt securities	**501,571**	213,928
Less: provision for impairment losses	**(532,510)**	(446,435)
Total	**2,478,236**	2,006,679

Current

	As at 31 December	
	2020	2019
Wealth management products and others	**3,147,155**	4,736,252
Debt securities	**833,963**	272,688
Investments classified as receivables	**—**	300,706
Less: provision for impairment losses	**(7,151)**	(3,600)
Total	**3,973,967**	5,306,046

(b) Analysis of the movement of provision for impairment losses:

	As at 31 December	
	2020	2019
At the beginning of the year	**450,035**	187,307
Charge for the year	**89,626**	262,728
At the end of the year	**539,661**	450,035

25 Financial assets at fair value through other comprehensive income

Non-current

	As at 31 December	
	2020	2019
Designated at FVOCI		
— Equity securities not held for trading[1]	**9,071,823**	9,445,342
Debt securities	**—**	11,868
	9,071,823	9,457,210
Analysed as:		
Listed outside Hong Kong	**2,109,816**	2,644,474
Unlisted	**6,962,007**	6,812,736
Total	**9,071,823**	9,457,210

Current

	As at 31 December	
	2020	2019
Debt securities	**57,282,609**	44,017,312
Analysed as:		
Listed in Hong Kong	**1,066**	212,451
Listed outside Hong Kong	**30,297,910**	21,480,154
Unlisted	**26,983,633**	22,324,707
Total	**57,282,609**	44,017,312

(1) As at 31 December 2020 and 31 December 2019, the above non-current financial assets at fair value through other comprehensive income include the Group's contributed fund, with various PRC securities firms, to designated accounts managed by China Securities Finance Corporation Limited (CSF). Risk and reward arising from the investment shall be shared by the relevant securities firms according to the proportion of their respective contribution. As at 31 December 2020 and 31 December 2019, the fair value of the Group's contribution recognized by the Group were RMB6,702 million and RMB6,552 million, based on the investment account statement provided by CSF. The Group designated the specific investment at financial assets at fair value through other comprehensive income (non-recycling) as the investment is not held for trading.

(2) For the period ended 31 December 2020 and 31 December 2019, the Group disposed some of the equity instruments at fair value through other comprehensive income resulting from adjustment in its investment strategy. The accumulated net realized gain of the equity instrument disposed of were RMB126,194 thousand and RMB 157,955 thousand.

25 Financial assets at fair value through other comprehensive income (continued)

As at 31 December 2020 and 31 December 2019, the Group has entered into securities lending arrangement with clients that resulted in the transfer of financial assets at fair value through other comprehensive income with total fair value of RMB1,667,231 thousand and RMB420,203 thousand to external clients. These have not resulted in the derecognition of the financial assets in accordance with the accounting policy detailed in Note 2(10). The fair value of collaterals for the securities lending business is analysed in Note 33(c) together with the fair value of collaterals of margin financing business.

As at 31 December 2020 and 31 December 2019, the Group has pledged financial assets at fair value through other comprehensive income with a total fair value of RMB334,962 thousand and RMB377,391 thousand to CSF for the purpose of placement. The fair values of these securities have taken into account the relevant features including the restrictions.

As at 31 December 2020 and 31 December 2019, the Group has pledged financial assets at fair value through other comprehensive income with a total fair value of RMB34,482,407 thousand and RMB21,804,074 thousand for the purpose of repurchase agreement business and bond lending business.

26 Financial assets held under resale agreements

(a) Analysed by collateral type:

Non-current

	As at 31 December	
	2020	2019
Debt securities	**—**	71,094
Equity securities	**4,329,720**	9,959,697
Others	**—**	30,000
Less: Impairment losses	**(917,240)**	(725,242)
Total	**3,412,480**	9,335,549

Current

	As at 31 December	
	2020	2019
Debt securities	**11,592,367**	13,438,696
Equity securities	**11,726,630**	16,554,485
Less: Impairment losses	**(71,739)**	(77,791)
Total	**23,247,258**	29,915,390

26 Financial assets held under resale agreements (continued)

(b) Analysed by market:

Non-current

	As at 31 December	
	2020	2019
Shanghai Stock Exchange	**1,652,789**	2,474,950
Shenzhen Stock Exchange	**2,676,931**	7,555,841
Others	**—**	30,000
Less: Impairment losses	**(917,240)**	(725,242)
Total	**3,412,480**	9,335,549

Current

	As at 31 December	
	2020	2019
Inter-bank market	**9,218,503**	6,887,780
Shanghai Stock Exchange	**6,398,516**	12,163,847
Shenzhen Stock Exchange	**7,627,051**	10,941,554
Singapore Exchange	**74,927**	—
Less: Impairment losses	**(71,739)**	(77,791)
Total	**23,247,258**	29,915,390

27 Financial assets at fair value through profit or loss

Non-current

	As at 31 December	
	2020	2019
Wealth management products and others	**7,449,365**	4,568,901
Debt securities	**2,233,475**	11,725
Equity instrument		
— Equity securities	**1,398,776**	217,461
— Funds	**870,275**	9,657
Hybrid instrument	**—**	396,060
Total	**11,951,891**	5,203,804
Analysed as:		
Listed outside Hong Kong	**708,582**	170,894
Listed in Hong Kong	**1,653,271**	—
Unlisted	**9,590,038**	5,032,910
Total	**11,951,891**	5,203,804

27 Financial assets at fair value through profit or loss (continued)

Current

	As at 31 December	
	2020	2019
Debt securities	**88,914,732**	68,622,374
Equity instrument		
— Equity securities	**9,519,145**	1,830,847
— Funds	**28,412,947**	23,501,436
Hybrid instrument	**6,160,627**	4,915,784
Wealth management products and others	**19,608,515**	11,153,982
Total	**152,615,966**	110,024,423
Analysed as:		
Listed outside Hong Kong	**68,823,357**	27,398,506
Listed in Hong Kong	**467,389**	1,001,763
Unlisted	**83,325,220**	81,624,154
Total	**152,615,966**	110,024,423

As at 31 December 2020 and 31 December 2019, the Group has entered into securities lending arrangement with clients that resulted in the transfer of financial assets at fair value through profit or loss with total fair value of RMB2,068,236 thousand and RMB111,973 thousand to external clients, respectively. These have not resulted in the derecognition of the financial assets in accordance with the accounting policy detailed in Note 2(10). The fair value of collaterals for the securities lending business is analyzed in Note 33(c) together with the fair value of collaterals of margin financing business.

As at 31 December 2020 and 31 December 2019, the Group has pledged financial assets at fair value through profit or loss with a total fair value of RMB57,007,698 thousand and RMB55,399,131 thousand for the purpose of repurchase agreement business and bond lending business.

As at 31 December 2020 and 31 December 2019, the equity securities in the financial assets at fair value through profit or loss with lock-up periods held by the Group were RMB1,893,865 thousand and RMB173,449 thousand, respectively.

28 Refundable deposits

	As at 31 December	
	2020	2019
Deposits with stock exchanges and clearing house		
— China Securities Depository and Clearing Corporation Limited	**2,327,943**	801,012
— Hong Kong Securities Clearing Company Limited	**15,856**	3,550
— The Stock Exchange of Hong Kong Limited	**421**	448
	2,344,220	805,010
Deposits with futures and commodity exchanges		
— China Financial Futures Exchange	**6,100,778**	3,371,418
— Shanghai Futures Exchange	**2,876,384**	1,646,510
— Dalian Commodity Exchange	**2,792,573**	1,665,904
— Zhengzhou Commodity Exchange	**1,534,885**	516,851
— Shanghai International Energy Exchange	**224,948**	129,905
— Hong Kong Futures Exchange	**1,262**	2,826
	13,530,830	7,333,414
Deposits with other institutions		
— China Securities Finance Corporation Limited	**1,608,622**	34,257
— Shanghai Clearing House	**540,974**	623,982
— Shanghai Gold Exchange	**20**	20
— The SEHK Options Clearing House Limited	**935**	3,122
— Monetary Authority of Singapore	**—**	518
— Other financial institutions	**322,060**	77,918
	2,472,611	739,817
Total	**18,347,661**	8,878,241

29 Deferred taxation

(a) Deferred tax assets/(liabilities) recognized

The components of deferred tax assets/(liabilities) recognized in the consolidated statements of financial position and the movements during the Year ended 31 December 2020 are as follows:

Deferred tax arising from:	Provision for impairment losses	Employee benefits payable	Changes in fair value of financial instruments at fair value through profit or loss	Changes in fair value of derivative financial instruments	Changes in fair value of financial assets at fair value through other comprehensive income	Business combination	Others	Total
As at 31 December 2018	267,176	386,862	29,892	57,841	538,001	238,792	40,001	1,558,565
As at 1 January 2019	267,176	386,862	29,892	57,841	538,001	238,792	40,001	1,558,565
Recognized in profit or loss	179,196	182,109	3,013	25,643	23,636	225,372	(10,587)	628,382
Recognized in reserves	–	–	–	–	(395,599)	–	–	(395,599)
Reclassified from other comprehensive income to retained profits	–	–	–	–	39,489	–	–	39,489
As at 31 December 2019	446,372	568,971	32,905	83,484	205,527	464,164	29,414	1,830,837
As at 1 January 2020	**446,372**	**568,971**	**32,905**	**83,484**	**205,527**	**464,164**	**29,414**	**1,830,837**
Recognized in profit or loss	**182,387**	**273,480**	**(340,287)**	**(32,024)**	**3,886**	**–**	**149,430**	**236,872**
Recognized in reserves	**–**	**–**	**–**	**–**	**105,486**	**–**	**–**	**105,486**
Reclassified from other comprehensive income to retained profits	**–**	**–**	**–**	**–**	**31,549**	**–**	**–**	**31,549**
As at 31 December 2020	**628,759**	**842,451**	**(307,382)**	**51,460**	**346,448**	**464,164**	**178,844**	**2,204,744**

29 Deferred taxation (continued)

(b) Reconciliation to the consolidated statements of financial position and the statements of financial position

	As at 31 December	
	2020	2019
Net deferred tax assets recognized in the consolidated statement of financial position	**2,206,892**	1,833,395
Net deferred tax liabilities recognized in the consolidated statement of financial position	**(2,148)**	(2,558)
Total	**2,204,744**	1,830,837

(c) Recognized in other comprehensive income

	As at 31 December 2020		
	Before tax	**Tax expense**	**Net of tax**
Financial assets at fair value through other comprehensive income			
— Net changes in fair value	**(293,201)**	**70,835**	**(222,366)**
— Reclassified to profit or loss	**(213,663)**	**52,903**	**(160,760)**
Share of other comprehensive income of associates	**(11,396)**	**—**	**(11,396)**
Exchange differences on translation of financial statements in foreign currencies	**(243,968)**	**—**	**(243,968)**
Equity investment at fair value through other comprehensive income			
— Net changes in fair value	**73,007**	**(18,252)**	**54,755**
Total	**(689,221)**	**105,486**	**(583,735)**

29 Deferred taxation (continued)

(c) Recognized in other comprehensive income (continued)

	As at 31 December 2019		
	Before tax	Tax expense	Net of tax
Financial assets at fair value through other comprehensive income			
— Net changes in fair value	497,770	(121,535)	376,235
— Reclassified to profit or loss	(347,877)	89,289	(258,588)
Share of other comprehensive income of associates	5,489	—	5,489
Exchange differences on translation of financial statements in foreign currencies	82,609	—	82,609
Equity investment at fair value through other comprehensive income			
— Net changes in fair value	1,453,411	(363,353)	1,090,058
Total	1,691,402	(395,599)	1,295,803

(d) Deferred tax assets not recognized

As at 31 December 2020 and 2019, in accordance with the accounting policy set out in Note 2(21)(ii), the Group has not recognized deferred tax assets in respect of cumulative tax losses, and provision for bad debts with timing difference amounting to RMB26,219 thousand and RMB35,299 thousand respectively, mainly as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

30 Other non-current assets

Analysed by nature:

	As at 31 December	
	2020	2019
Long-term deferred expenses[1]	**86,358**	104,997
Other	**19,654**	66,648
Total	**106,012**	171,645

(1) The movements of long-term deferred expenses are as below:

	As at 31 December	
	2020	2019
Balance at the beginning of the year	**104,997**	111,086
Additions	**4,356**	10,009
Transfer in from property and equipment	**16,203**	30,733
Amortisation	**(39,198)**	(46,831)
Balance at the end of the year	**86,358**	104,997

31 Accounts receivable

(a) Analysed by nature:

	As at 31 December	
	2020	2019
Accounts receivable of:		
— Settlement	**1,507,972**	997,019
— Asset management plans	**1,355,701**	473,351
— Fee and commission	**726,157**	724,498
— Overdue	**56,423**	35,885
Less: Provision for impairment losses	**(557,637)**	(262,600)
Total	**3,088,616**	1,968,153

31 Accounts receivable (continued)

(b) Analysed by ageing:

As at 31 December 2020, the ageing analysis of accounts receivable, based on the trade date, is as follows:

	As at 31 December	
	2020	2019
Within 1 year	**2,699,753**	1,866,917
1 to 2 years	**322,453**	63,208
2 to 3 years	**43,416**	23,374
Over 3 years	**22,994**	14,654
Total	**3,088,616**	1,968,153

(c) Analysis of the movement of provision for impairment losses:

	As at 31 December	
	2020	2019
At the beginning of the year	**262,600**	158,834
Charge for the year	**295,087**	203,574
Amounts written off	**(50)**	—
Amount transferred	**—**	(99,808)
At the end of the year	**557,637**	262,600

(d) Accounts receivable that is not impaired

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

32 Other receivables and prepayments

(a) Analysed by nature:

	As at 31 December	
	2020	2019
Inventory	**2,016,658**	1,081,925
Deposits	**354,628**	71,823
Current tax assets	**327,467**	213,865
Overdue and impaired receivables	**193,797**	292,012
VAT due from asset management plans	**193,001**	221,977
Prepayments[1]	**162,395**	387,197
Receivables from bond issuers	**160,104**	43,150
Interest receivables	**53,311**	35,419
Receivables from commodity business customers	**2,469**	350,336
Others[1]	**148,876**	109,146
Less: Provision for impairment losses	**(279,311)**	(207,923)
Total	**3,333,395**	2,598,927

(1) The balance of prepayments and others mainly represents receivables from sundry receivables and prepayments arising from the Group's daily business operation.

(b) Analysis of the movement of provision for impairment losses:

	As at 31 December	
	2020	2019
At the beginning of the year	**207,923**	264,395
Charge for the year	**71,388**	—
Reversal of impairment	**—**	(41,983)
Amount transferred	**—**	(14,489)
At the end of the year	**279,311**	207,923

33 Margin accounts receivable

(a) Analysed by nature:

	As at 31 December	
	2020	2019
Individuals	**60,997,589**	46,689,567
Institutions	**13,555,051**	6,538,735
Less: Provision for impairment losses	**(340,239)**	(179,888)
Total	**74,212,401**	53,048,414

(b) Analysis of the movement of provision for impairment losses:

	As at 31 December	
	2020	2019
At the beginning of the year	**179,888**	84,265
Charge for the year	**160,931**	—
Amounts written off	**(580)**	—
Reversal of impairment	**—**	(4,185)
Others	**—**	99,808
At the end of the year	**340,239**	179,888

(c) The fair value of collaterals for margin financing and securities lending business is analysed as follows:

	As at 31 December	
	2020	2019
Fair value of collaterals:		
— Stocks	**238,328,418**	165,040,133
— Cash	**11,756,312**	9,181,292
— Funds	**12,477,746**	1,827,820
— Bonds	**303,024**	67,709
Total	**262,865,500**	176,116,954

34 Derivative financial instruments

	As at 31 December 2020		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives			
— Treasury bond futures	17,417,900	—	(14,916)
— Interest rate swaps	117,870,000	—	(2,696)
— Standard bond forward	9,361	54	—
Equity derivatives			
— Stock index futures	11,986,906	116,227	(30,208)
— Structured notes	7,868,988	64,412	—
— Stock options	4,793,877	71,731	(110,705)
— OTC options	116,093,891	1,498,653	(2,040,769)
Commodity derivatives			
— Options	2,528,401	15,287	(24,803)
— Au (T+D)	1,728,806	—	(35,374)
— Precious metals forward contract	20,060,628	—	(44,234)
— Commodity forward	35,724	421	—
— Other commodity futures	17,483,395	140,298	(134,746)
Credit derivatives	280,000	—	(780)
Total	318,157,877	1,907,083	(2,439,231)
Less: Cash (received)/paid as settlement		(256,525)	217,940
Net position		1,650,558	(2,221,291)

34 Derivative financial instruments (continued)

	As at 31 December 2019		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives			
— Treasury bond futures	13,904,749	—	(44,949)
— Interest rate swaps	72,060,000	—	(123,125)
Equity derivatives			
— Stock index futures	1,114,145	13,307	(302)
— Structured notes	911,101	—	(12,233)
— Stock options	550,460	10,406	(24,477)
— OTC options	79,347,828	458,975	(568,571)
Commodity derivatives			
— Commodity options	959,407	6,302	(9,375)
— Optional forward	280,072	6,152	—
— Other commodity futures	9,626,669	28,391	(65,812)
Total	178,754,431	523,533	(848,844)
Less: Cash (received)/paid as settlement		(41,698)	234,188
Net position		481,835	(614,656)

Under the daily mark-to-market and settlement arrangement, any gains or losses of the Group's position in interest rate swap contracts settled in Shanghai Clearing House, stock index futures, treasury bond futures and commodity futures were settled daily and the corresponding receipts and payments were included in "clearing settlement funds".

35 Clearing settlement funds

	As at 31 December	
	2020	2019
Deposits with		
— China Securities Depository and Clearing Corporation Limited	**5,555,450**	3,109,083
— Shanghai Gold Exchange	**105,931**	591
— Other institutions	**306,518**	120,057
— Interest receivables	**6,115**	1,130
Total	**5,974,014**	3,230,861

36 Cash held on behalf of brokerage clients

The Group maintains segregated deposit accounts with banks and authorised institutions to hold clients' monies arising from its normal course of brokerage business. The Group has classified its brokerage clients' monies as cash held on behalf of brokerage clients under the current assets section of the consolidated statements of financial position, and recognized the corresponding accounts payable to the respective brokerage clients on the grounds that it is liable for any loss or misappropriation of its brokerage clients' monies. In the PRC, cash held on behalf of brokerage clients for their transaction and settlement funds is restricted and governed by relevant third-party deposit regulations issued by the CSRC. In Hong Kong, cash held on behalf of brokerage clients is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance.

37 Cash and bank balances

(a) Analysed by nature:

	As at 31 December	
	2020	2019
Cash on hand	**331**	539
Bank balances	**22,926,235**	25,058,503
Less: Provision for impairment losses	**(3,699)**	(2,875)
Total	**22,922,867**	25,056,167

Bank balances comprise time and demand deposits which bear interest at the prevailing market rates.

37 Cash and bank balances (continued)

(b) Analysis of the movement of provision for impairment losses:

	As at 31 December	
	2020	2019
At the beginning of the year	**2,875**	6,155
Charge/(Reversal) of impairment	**824**	(3,280)
At the end of the year	**3,699**	2,875

38 Cash and cash equivalents

	As at 31 December	
	2020	2019
Cash on hand	**331**	539
Bank balances	**22,885,986**	24,925,667
Clearing settlement funds	**5,967,900**	3,229,731
Bond investment within 3 months original maturity	**79,998**	209,720
Financial assets held under resale agreements within 3 months original maturity	**11,584,466**	13,005,426
Less: restricted bank deposits	**(2,955,994)**	(2,422,281)
Total	**37,562,687**	38,948,802

The restricted bank deposits mainly include bank deposits with original maturity of more than three months held by the Group and risk reserve deposits.

39 Loans and borrowings

Current

				As at 31 December	
	Currency	Nominal Interest Rate	Year of Maturity	**2020 Carrying Amount**	2019 Carrying Amount
Unsecured bank loans	HKD	1.24%–2.00%	2021	**3,595,421**	697,723
Unsecured bank loans	RMB	4.25%–4.35%	2021	**142,745**	173,423
Secured borrowing from commodity exchanges	RMB	0.9%–1.8%	2021	**608,769**	289,161
Unsecured loans from other financial institutions	RMB	—	2021	**—**	301,427
Total				**4,346,935**	1,461,734

40 Short-term debt instruments issued

	Nominal Interest rate	Book value as at 1 January 2020	Issuance	Redemption	Book value as at 31 December 2020
Short-term corporate bonds	**2.75%–5.5%**	**9,999,435**	**50,054,564**	**(35,977,059)**	**24,076,940**
Structured notes	**0.10% plus floating rate –3.60% plus floating rate**	**6,998,106**	**53,636,766**	**(44,475,172)**	**16,159,700**
Interest payables		**67,612**	**609,856**	**(409,039)**	**268,429**
Total		**17,065,153**	**104,301,186**	**(80,861,270)**	**40,505,069**

	Nominal Interest rate	Book value as at 1 January 2019	Issuance	Redemption	Book value as at 31 December 2019
Short-term corporate bonds	2.75%–5.50%	6,000,000	24,996,117	(20,996,682)	9,999,435
Structured notes	0.00% plus floating rate –3.00% plus floating rate	7,220,147	17,505,587	(17,727,628)	6,998,106
Interest payables		348,122	321,655	(602,165)	67,612
Total		13,568,269	42,823,359	(39,326,475)	17,065,153

In 2020, the Group has issued 1,407 tranches of structured notes, and repaid 1,078 tranches of structured notes during the year. The outstanding balance bears interest rate ranging from fixed rate 0.10% plus floating rate to 3.60% plus floating rate per annum, repayable within 1 year.

In 2019, the Group has issued 1,352 tranches of structured notes, and repaid 1,179 tranches of structured notes during the year. The outstanding balance bears interest rate ranging from fixed rate 0.00% plus floating rate to 3.00% plus floating rate per annum, repayable within 1 year.

41 Placements from other financial institutions

Current

		As at 31 December	
	Note	**2020**	2019
Interbank lending	(1)	**4,430,000**	10,315,074
Total		**4,430,000**	10,315,074

(1) As at 31 December 2020, the interbank lending is unsecured and bears interest rate ranging from 2.35% to 3.30% per annum, with maturities of 7 days. As at 31 December 2019, the interbank lending is unsecured and bears interest rate ranging from 1.15% to 5.70% per annum, with maturities ranging from 1 days to 365 days.

Non-current

		As at 31 December	
	Note	**2020**	2019
Interbank lending	(1)	**—**	636,000
Total		**—**	636,000

(1) As at 31 December 2019, the non-current interbank lending is unsecured and bears interest rate of 3.65% per annum, with maturities of 547 days.

42 Financial liabilities at fair value through profit or loss

Current

	As at 31 December	
	2020	2019
Financial liabilities held for trading		
— Structured notes	**446,714**	280,825
— Gold	**301,979**	—
— Debt securities	**1,925,900**	—
— Equities	**94,872**	—
Financial liabilities designated at fair value through profit or loss[1]	**107,310**	102,345
Total	**2,876,775**	383,170

42 Financial liabilities at fair value through profit or loss (continued)

Non-current

	As at 31 December	
	2020	2019
Financial liabilities held for trading		
— Structured notes	**574,213**	—
Financial liabilities designated at fair value through profit or loss[1]	**949**	1,000
Total	**575,162**	1,000

(1) The financial liabilities arising from consolidation of structured entities are designated at fair value through profit or loss by the Group, as the Group has the obligation to pay other investors upon maturity dates of the structured entities based on relevant terms of these structured entities.

43 Accounts payable to brokerage clients

	As at 31 December	
	2020	2019
Clients' deposits for other brokerage trading	**85,771,349**	67,866,950
Clients' deposits for margin financing and securities lending	**11,756,312**	9,181,292
Interest payable	**7,379**	5,093
Total	**97,535,040**	77,053,335

Accounts payable to brokerage clients represent the monies received from and repayable to brokerage clients, which are mainly held at banks and at clearing houses by the Group. Accounts payable to securities brokerage clients are interest-bearing at the prevailing interest rate.

The majority of the accounts payable balances are repayable on demand except where certain accounts payable to brokerage clients represent monies received from clients for their margin financing activities under normal course of business, such as margin financing and securities lending. Only the excess amounts over the required margin deposits and cash collateral stipulated are repayable on demand.

No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of these businesses.

44 Employee benefits payable

Current and Non-current

	2020			
	As at 1 January	**Accrued for the year**	**Payments made**	**As at 31 December**
Salaries, bonuses and allowance	**3,526,778**	**5,745,854**	**(4,336,064)**	**4,936,568**
Contribution to pension schemes	**2,417**	**145,154**	**(145,254)**	**2,317**
Other social welfare	**147,593**	**1,005,972**	**(913,829)**	**239,736**
Total	**3,676,788**	**6,896,980**	**(5,395,147)**	**5,178,621**

	2019			
	As at 1 January	Accrued for the year	Payments made	As at 31 December
Salaries, bonuses and allowance	2,603,278	4,722,165	(3,798,665)	3,526,778
Contribution to pension schemes	2,669	320,556	(320,808)	2,417
Other social welfare	131,864	948,735	(933,006)	147,593
Total	2,737,811	5,991,456	(5,052,479)	3,676,788

45 Other payables and accruals

	As at 31 December	
	2020	2019
Payables to interest holders of consolidated structured entities	**10,924,727**	11,176,049
Deposits	**4,165,936**	1,624,422
Settlement payables	**1,482,632**	507,177
Business tax and other tax payables	**576,613**	546,871
Fee and commission payable	**542,933**	73,950
Proceeds from underwriting securities received on behalf of customers	**473,250**	—
Payables on behalf of staff	**430,951**	181,840
Trade payables	**349,560**	185,606
Risk reserve for futures brokerage business	**207,009**	179,642
Distribution expenses payables	**144,151**	90,766
Dividend payables	**135,580**	135,052
Long-term payables	**134,229**	133,862
Interest and dividend received on behalf of brokerage clients	**54,144**	23,227
Interest payables	**53,444**	21,693
Payables to the securities and futures investor protection fund	**49,041**	35,182
Accrued expenses	**34,859**	16,703
Account executive commission payables	**13,776**	12,162
Sponsoring fee payables	**1,852**	22,146
Others[1]	**125,287**	78,338
Total	**19,899,974**	15,044,688

(1) The balance of others mainly represents sundry payables arising from the Group's daily business operation.

46 Financial assets sold under repurchase agreements

(a) Analysed by collateral type:

Current

	As at 31 December	
	2020	2019
Debt securities	**92,662,332**	71,698,553
Margin loans receivable backed repurchase agreements	**—**	6,345,590
Securities-backed lending repurchase agreements	**—**	506,927
Others	**10,652,215**	5,392,764
Total	**103,314,547**	83,943,834

(b) Analysed by market:

Current

	As at 31 December	
	2020	2019
Stock exchanges	**48,113,781**	18,599,902
Inter-bank market	**43,472,075**	52,152,633
OTC market	**10,652,215**	12,245,281
Futures exchanges	**1,076,476**	946,018
Total	**103,314,547**	83,943,834

47 Lease liabilities

Non-current

	As at 31 December 2020	As at 31 December 2019
Lease liabilities	**494,091**	493,541

Current

	As at 31 December 2020	As at 31 December 2019
Lease liabilities	**368,729**	286,190

48 Contract liabilities

	As at 31 December	
	2020	2019
Commodity trading contracts	**125,165**	74,795
Sponsorship and financial advisory contracts	**15,723**	27,468
Assets management contracts	**903**	13,106
Total	**141,791**	115,369

As at 31 December 2020 and 31 December 2019, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB489,079 thousand and RMB515,569 thousand respectively. This amount represents revenue expected to be recognized in the future from commodity trading, sponsorship and financial advisory business and asset management business. The Group will recognize the expected revenue in future when or as the work is completed or, in the case of commodity trading, when the customer takes possession of and accepts the commodity, most of which is expected to occur within the next 12 months.

49 Long-term bonds

As at 31 December 2020

Name	Par value Original currency	Issuance date	Due date	Issue amount Original currency	Nominal interest rate
16 ShenHong 01[1]	2,020,800	2016/04/26	2021/04/26	2,020,800	3.70%
16 ShenHong 03[2]	5,500,000	2016/09/09	2021/09/09	5,500,000	3.20%
17 ShenZheng 01[3]	7,500,000	2017/02/17	2022/02/17	7,500,000	4.40%
17 ShenZheng 02[4]	500,000	2017/02/17	2024/02/17	500,000	4.50%
17 ShenZheng C2[5]	4,300,000	2017/11/16	2020/11/16	4,300,000	5.30%
18 ShenHong 01[6]	500,000	2018/07/17	2023/07/17	499,997	4.40%
18 ShenHong 02[7]	6,500,000	2018/07/17	2023/07/17	6,499,956	4.80%
18 ShenZheng 01[8]	2,000,000	2018/11/19	2020/11/19	2,000,000	4.10%
18 ShenZheng 02[9]	3,000,000	2018/11/19	2021/11/19	3,000,000	4.20%
18 ShenZheng 03[10]	1,500,000	2018/12/10	2023/12/10	1,500,000	4.08%
18 ShenZheng C1[11]	1,400,000	2018/04/12	2020/04/12	1,400,000	5.25%
18 ShenZheng C2[12]	4,600,000	2018/04/12	2023/04/12	4,600,000	5.35%
18 ShenZheng C3[13]	4,200,000	2018/05/21	2020/05/21	4,200,000	5.38%
18 ShenZheng C5[14]	5,100,000	2018/09/17	2020/09/17	5,100,000	4.69%
19 ShenHong 01[15]	1,000,000	2019/03/08	2022/03/08	999,953	4.18%
19 ShenHong 02[16]	3,200,000	2019/04/12	2022/04/12	3,200,000	4.27%
19 ShenHong 04[17]	5,800,000	2019/10/25	2024/10/25	5,800,000	3.94%
19 ShenZheng 01[18]	2,200,000	2019/01/16	2022/01/16	2,200,000	3.55%
19 ShenZheng 03[19]	6,200,000	2019/03/11	2022/03/11	6,200,000	3.68%
19 ShenZheng 05[20]	8,100,000	2019/05/09	2022/05/09	8,100,000	3.88%
19 ShenZheng 07[21]	1,000,000	2019/06/14	2021/06/14	1,000,000	3.90%
19 Shenwan Hongyuan financial bond 01[22]	6,000,000	2019/09/18	2022/09/18	5,996,156	3.43%
20 ShenZheng 01[23]	4,000,000	2020/01/16	2022/01/16	4,000,000	3.40%
20 ShenZheng 02[24]	2,000,000	2020/01/16	2023/01/16	2,000,000	3.55%
20 ShenZheng 03[25]	1,000,000	2020/02/21	2022/02/21	1,000,000	3.03%
20 ShenZheng 04[26]	3,000,000	2020/02/21	2023/02/21	3,000,000	3.20%
20 ShenZheng 06[27]	4,100,000	2020/07/27	2023/07/27	4,100,000	3.49%
20 ShenZheng 08[28]	3,200,000	2020/09/10	2023/09/10	3,200,000	3.76%
20 ShenZheng 09[29]	2,200,000	2020/10/26	2021/11/05	2,200,000	3.16%
20 ShenZheng 10[30]	5,700,000	2020/10/26	2023/10/26	5,700,000	3.68%
20 ShenZheng 12[31]	17,000,00	2020/11/16	2022/11/16	17,000,00	3.55%
20 ShenZheng C2[32]	6,000,000	2020/04/23	2023/04/23	6,000,000	3.18%
20 ShenZheng C3[33]	6,000,000	2020/05/25	2023/05/25	6,000,000	3.25%
Structured notes[34]	11,862,549	Note[34]	Note[34]	11,862,549	0.10%–6.92%

49 Long-term bonds (continued)

Name	Book value as at 1 January 2020	Increase	Amount of amortisation	Decrease	Book value as at 31 December 2020
16 ShenHong 01[1]	2,020,800	—	—	—	2,020,800
16 ShenHong 03[2]	5,500,000	—	—	—	5,500,000
17 ShenZheng 01[3]	7,500,000	—	—	—	7,500,000
17 ShenZheng 02[4]	500,000	—	—	—	500,000
17 ShenZheng C2[5]	4,300,000	—	—	(4,300,000)	—
18 ShenHong 01[6]	499,997	—	—	—	499,997
18 ShenHong 02[7]	6,499,960	—	—	—	6,499,960
18 ShenZheng 01[8]	2,000,000	—	—	(2,000,000)	—
18 ShenZheng 02[9]	3,000,000	—	—	—	3,000,000
18 ShenZheng 03[10]	1,500,000	—	—	—	1,500,000
18 ShenZheng C1[11]	1,400,000	—	—	(1,400,000)	—
18 ShenZheng C2[12]	4,600,000	—	—	—	4,600,000
18 ShenZheng C3[13]	4,200,000	—	—	(4,200,000)	—
18 ShenZheng C5[14]	5,100,000	—	—	(5,100,000)	—
19 ShenHong 01[15]	999,953	—	15	—	999,968
19 ShenHong 02[16]	3,200,000	—	—	—	3,200,000
19 ShenHong 04[17]	5,800,000	—	—	—	5,800,000
19 ShenZheng 01[18]	2,200,000	—	—	—	2,200,000
19 ShenZheng 03[19]	6,200,000	—	—	—	6,200,000
19 ShenZheng 05[20]	8,100,000	—	—	—	8,100,000
19 ShenZheng 07[21]	1,000,000	—	—	—	1,000,000
19 Shenwan Hongyuan financial bond 01[22]	5,996,156	1,420	—	—	5,997,576
20 ShenZheng 01[23]	—	3,997,132	1,887	—	3,999,019
20 ShenZheng 02[24]	—	1,998,416	943	—	1,999,359
20 ShenZheng 03[25]	—	1,000,000	—	—	1,000,000
20 ShenZheng 04[26]	—	3,000,000	—	—	3,000,000
20 ShenZheng 06[27]	—	4,100,000	—	—	4,100,000
20 ShenZheng 08[28]	—	3,187,817	—	—	3,187,817
20 ShenZheng 09[29]	—	2,194,886	—	—	2,194,886
20 ShenZheng 10[30]	—	5,677,283	—	—	5,677,283
20 ShenZheng 12[31]	—	1,693,238	—	—	1,693,238
20 ShenZheng C2[32]	—	5,990,641	2,830	—	5,993,471
20 ShenZheng C3[33]	—	5,993,782	2,830	—	5,996,612
Structured notes[34]	7,405,004	9,758,302	—	(5,300,757)	11,862,549
Interest payables	2,213,334	4,055,527	—	(3,923,451)	2,345,410
Total	91,735,204	52,648,444	8,505	(26,224,208)	118,167,945

49 Long-term bonds (continued)

As at 31 December 2019

Name	Par value Original currency	Issuance date	Due date	Issue amount Original currency	Nominal interest rate
12 ShenWan	6,000,000	2013/07/29	2019/07/29	5,987,700	5.20%
16 ShenZheng C1	10,000,000	2016/03/25	2021/03/25	10,000,000	3.62%
16 ShenHong 01[(1)]	2,020,800	2016/04/26	2021/04/26	2,020,800	3.70%
16 ShenHong 02	2,000,000	2016/09/09	2019/09/09	2,000,000	2.90%
16 ShenHong 03[(2)]	5,500,000	2016/09/09	2021/09/09	5,500,000	3.20%
16 ShenZheng C3	5,000,000	2016/10/19	2019/10/19	5,000,000	3.28%
17 ShenZheng 01[(3)]	7,500,000	2017/02/17	2022/02/17	7,500,000	4.40%
17 ShenZheng 02[(4)]	500,000	2017/02/17	2024/02/17	500,000	4.50%
17 ShenZheng C1	400,000	2017/11/16	2019/11/16	400,000	5.20%
17 ShenZheng C2[(5)]	4,300,000	2017/11/16	2020/11/16	4,300,000	5.30%
18 ShenZheng C1[(11)]	1,400,000	2018/04/12	2020/04/12	1,400,000	5.25%
18 ShenZheng C2[(12)]	4,600,000	2018/04/12	2023/04/12	4,600,000	5.35%
18 ShenZheng C3[(13)]	4,200,000	2018/05/21	2020/05/21	4,200,000	5.38%
18 ShenHong 01[(6)]	500,000	2018/07/17	2023/07/17	499,997	4.40%
18 ShenHong 02[(7)]	6,500,000	2018/07/17	2023/07/17	6,499,956	4.80%
18 ShenZheng C5[(14)]	5,100,000	2018/09/17	2020/09/17	5,100,000	4.69%
18 ShenZheng 01[(8)]	2,000,000	2018/11/19	2020/11/19	2,000,000	4.10%
18 ShenZheng 02[(9)]	3,000,000	2018/11/19	2021/11/19	3,000,000	4.20%
18 ShenZheng 03[(10)]	1,500,000	2018/12/10	2023/12/10	1,500,000	4.08%
19 ShenHong 01[(15)]	1,000,000	2019/03/08	2022/03/08	999,953	4.18%
19 ShenHong 02[(16)]	3,200,000	2019/04/12	2022/04/12	3,200,000	4.27%
19 ShenHong 04[(17)]	5,800,000	2019/10/25	2024/10/25	5,800,000	3.94%
19 ShenZheng 01[(18)]	2,200,000	2019/01/16	2022/01/16	2,200,000	3.55%
19 ShenZheng 03[(19)]	6,200,000	2019/03/11	2022/03/11	6,200,000	3.68%
19 ShenZheng 05[(20)]	8,100,000	2019/05/09	2022/05/09	8,100,000	3.88%
19 ShenZheng 07[(21)]	1,000,000	2019/06/14	2021/06/14	1,000,000	3.90%
19 Shenwan Hongyuan financial bond 01[(22)]	6,000,000	2019/09/18	2022/09/18	5,996,156	3.43%
Structured notes[(34)]	7,206,134	Note[(34)]	Note[(34)]	7,206,134	3.40%–5.80%

49 Long-term bonds (continued)

Name	Book value as at 1 January 2019	Increase	Amount of amortisation	Decrease	Book value as at 31 December 2019
12 ShenWan	5,998,826	—	1,174	(6,000,000)	—
16 ShenZheng C1	10,000,000	—	—	(10,000,000)	—
16 ShenHong 01[(1)]	5,000,000	—	—	(2,979,200)	2,020,800
16 ShenHong 02	2,000,000	—	—	(2,000,000)	—
16 ShenHong 03[(2)]	5,500,000	—	—	—	5,500,000
16 ShenZheng C3	5,000,000	—	—	(5,000,000)	—
17 ShenZheng 01[(3)]	7,500,000	—	—	—	7,500,000
17 ShenZheng 02[(4)]	500,000	—	—	—	500,000
17 ShenZheng C1	400,000	—	—	(400,000)	—
17 ShenZheng C2[(5)]	4,300,000	—	—	—	4,300,000
18 ShenZheng C1[(11)]	1,400,000	—	—	—	1,400,000
18 ShenZheng C2[(12)]	4,600,000	—	—	—	4,600,000
18 ShenZheng C3[(13)]	4,200,000	—	—	—	4,200,000
18 ShenHong 01[(6)]	499,997	—	—	—	499,997
18 ShenHong 02[(7)]	6,499,960	—	—	—	6,499,960
18 ShenZheng C5[(14)]	5,100,000	—	—	—	5,100,000
18 ShenZheng 01[(8)]	2,000,000	—	—	—	2,000,000
18 ShenZheng 02[(9)]	3,000,000	—	—	—	3,000,000
18 ShenZheng 03[(10)]	1,500,000	—	—	—	1,500,000
19 ShenHong 01[(15)]	—	999,941	12	—	999,953
19 ShenHong 02[(16)]	—	3,200,000	—	—	3,200,000
19 ShenHong 04[(17)]	—	5,800,000	—	—	5,800,000
19 ShenZheng 01[(18)]	—	2,200,000	—	—	2,200,000
19 ShenZheng 03[(19)]	—	6,200,000	—	—	6,200,000
19 ShenZheng 05[(20)]	—	8,100,000	—	—	8,100,000
19 ShenZheng 07[(21)]	—	1,000,000	—	—	1,000,000
19 Shenwan Hongyuan financial bond 01[(22)]	—	5,995,749	407	—	5,996,156
Structured notes[(34)]	12,900,391	3,588,547	1	(9,083,935)	7,405,004
Interest payables	1,609,162	4,111,763	—	(3,507,591)	2,213,334
Total	89,508,336	41,196,000	1,594	(38,970,726)	91,735,204

49 Long-term bonds (continued)

	As at 31 December	
	2020	2019
Long-term bonds due within one year	**20,634,609**	21,549,900
Long-term bonds due after one year	**97,533,336**	70,185,304
Total	**118,167,945**	91,735,204

As approved by the Board and related regulatory authorities, the Group has issued the following bonds:

(1) 5-year corporate bond amounting to RMB5 billion on 26 April 2016 with early redemption right which was exercised on 26 April 2019, and the outstanding par value amounting to RMB2.02 billion as at 31 December 2019.

(2) 5-year corporate bond amounting to RMB5.5 billion on 9 September 2016.

(3) 5-year corporate bond amounting to RMB7.5 billion on 17 February 2017.

(4) 5-year corporate bond amounting to RMB0.5 billion on 17 February 2017.

(5) 3-year subordinated bond amounting to RMB4.3 billion on 16 November 2017.

(6) 5-year corporate bond amounting to RMB0.5 billion on 17 July 2018 with early redemption right on 17 July 2021.

(7) 5-year corporate bond amounting to RMB6.5 billion on 17 July 2018.

(8) 2-year corporate bond amounting to RMB2.0 billion on 19 November 2018.

(9) 3-year corporate bond amounting to RMB3.0 billion on 19 November 2018.

(10) 5-year corporate bond amounting to RMB1.5 billion on 10 December 2018.

(11) 2-year subordinated bond amounting to RMB1.4 billion on 12 April 2018.

(12) 5-year subordinated bond amounting to RMB4.6 billion on 12 April 2018 with early redemption right on 12 April 2021.

(13) 2-year subordinated bond amounting to RMB4.2 billion on 21 May 2018.

(14) 2-year subordinated bond amounting to RMB5.1 billion on 17 September 2018.

49 Long-term bonds (continued)

(15) 3-year corporate bond amounting to RMB1.0 billion on 8 March 2019.

(16) 3-year corporate bond amounting to RMB3.2 billion on 12 April 2019.

(17) 5-year corporate bond amounting to RMB5.8 billion on 25 October 2019.

(18) 3-year corporate bond amounting to RMB2.2 billion on 16 January 2019.

(19) 3-year corporate bond amounting to RMB6.2 billion on 11 March 2019.

(20) 3-year corporate bond amounting to RMB8.1 billion on 9 May 2019.

(21) 2-year corporate bond amounting to RMB1.0 billion on 14 June 2019.

(22) 3-year corporate bond amounting to RMB6.0 billion on 18 September 2019.

(23) 2-year corporate bond amounting to RMB4.0 billion on 16 January 2020.

(24) 3-year corporate bond amounting to RMB2.0 billion on 16 January 2020.

(25) 2-year corporate bond amounting to RMB1.0 billion on 21 February 2020.

(26) 3-year corporate bond amounting to RMB3.0 billion on 21 February 2020.

(27) 3-year corporate bond amounting to RMB4.1 billion on 27 July 2020.

(28) 3-year corporate bond amounting to RMB3.2 billion on 10 September 2020.

(29) 1-year corporate bond amounting to RMB2.2 billion on 26 October 2020.

(30) 3-year corporate bond amounting to RMB5.7 billion on 26 October 2020.

(31) 2-year corporate bond amounting to RMB1.7 billion on 16 November 2020.

(32) 3-year subordinated bond amounting to RMB6.0 billion on 23 April 2020.

(33) 3-year subordinated bond amounting to RMB6.0 billion on 25 May 2020.

(34) In 2020, the Group has issued 209 tranches of structured notes over one year. The outstanding balance bears interest rate ranging from 0.1%–6.92% per annum.

In 2019, the Group has issued 166 tranches of structured notes over one year. The outstanding balance bears interest rate ranging from 3.40%–5.80% per annum.

50 Other non-current liabilities

Analysed by nature:

	As at 31 December	
	2020	2019
Payables to interest holders of consolidated structured entities	**222,574**	102,501
Deferred income	**76,709**	79,344
Total	**299,283**	181,845

51 Share capital

All shares issued by the Company are fully paid common shares. The par value per share is RMB1. The Company's number of shares issued and their nominal value are as follows:

	As at 31 December 2020		As at 31 December 2019	
	Number of shares (Thousands)	**Nominal value**	Number of shares (Thousands)	Nominal value
Registered, issued and fully paid:				
A shares of RMB1 each	**22,535,945**	**22,535,945**	22,535,945	22,535,945
H shares of RMB1 each	**2,504,000**	**2,504,000**	2,504,000	2,504,000
Total	**25,039,945**	**25,039,945**	25,039,945	25,039,945

As at 31 December 2020 and 2019, the number of non-trade restricted A shares of the Company was 437,244 and 1,530,355 respectively.

52 Reserves and retained profits

(a) Capital reserve

Capital reserve mainly includes share premium arising from the issuance of new shares at prices in excess of face value and the difference between the considerations of acquisition of equity interests from non-controlling shareholders and the carrying amount of the proportionate net assets.

(b) Surplus reserve

Pursuant to the Company Law of the PRC, the Company is required to appropriate certain percentage of its net profit to the statutory surplus reserve until the balance reaches 50% of its registered capital.

Subject to the approval of the shareholders, the statutory reserve may be used to offset accumulated losses, or converted into capital of the Company provided that the balance of the statutory surplus reserve after such capitalisation is not less than 25% of the registered capital immediately before the capitalisation.

(c) General reserve

General reserve includes general risk reserve and transaction risk reserve.

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007, the Group appropriates certain percentage of its annual net profit to the general risk reserve.

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007 and in compliance with the Securities Law, for the purpose of covering securities trading losses, the Group appropriates certain percentage of its annual net profit to the transaction risk reserve.

The Company's subsidiaries appropriate their profits to the general reserve according to the applicable local regulations.

(d) Fair value reserve

The fair value reserve comprises:

- The cumulative net change in the fair value of equity securities designated at FVOCI; and
- The cumulative net change in fair value of debt securities at FVOCI until the assets are derecognized or reclassified. This amount is reduced by the amount of loss allowance.

(e) Translation reserve

The translation reserve mainly comprises foreign currency differences arising from the translation of the financial statements of foreign currencies.

(f) Retained profits

As at 31 December 2020 and 2019, the consolidated retained profits attributable to the Company included an appropriation of RMB4,864 million and RMB3,889 million to surplus reserve made by the subsidiaries respectively, and RMB2,185 million and RMB2,185 million enjoyed by shareholders arising from the merger of Hongyuan Securities under the same control.

52 Reserves and retained profits (continued)

(f) Retained profits (continued)

Pursuant to the resolution of the general meeting of the shareholders dated 23 June 2020, the Company was approved to distribute cash dividends of RMB0.8 (tax inclusive) per 10 shares to shareholders based on the total outstanding shares of 25,039,945 thousand shares, with total dividends amounting to RMB2,003,196 thousand.

(g) Other comprehensive income accumulated in reserves during the year, net of tax

	2020				
	Fair value reserve	Translation reserve	Sub-total	NCI	Total
Items that may be reclassified subsequently to profit or loss:					
Financial assets at fair value through other comprehensive income					
— Net changes in fair value	(219,743)	—	(219,743)	(2,623)	(222,366)
— Reclassified to profit or loss	(159,201)	—	(159,201)	(1,559)	(160,760)
Share of other comprehensive income of associates	(11,396)	—	(11,396)	—	(11,396)
Exchange differences on translation of financial statements in foreign currencies	—	(168,967)	(168,967)	(75,001)	(243,968)
Items that will not be reclassified to profit or loss:					
Equity investment at fair value through other comprehensive income					
— Net changes in fair value	54,755	—	54,755	—	54,755
Total	(335,585)	(168,967)	(504,552)	(79,183)	(583,735)

52 Reserves and retained profits (continued)

(g) Other comprehensive income accumulated in reserves during the year, net of tax (continued)

	2019				
	Fair value reserve	Translation reserve	Sub-total	NCI	Total
Items that may be reclassified subsequently to profit or loss:					
Financial assets at fair value through other comprehensive income					
— Net changes in fair value	372,147	—	372,147	4,088	376,235
— Reclassified to profit or loss	(261,850)	—	(261,850)	3,262	(258,588)
Share of other comprehensive income of associates	5,489	—	5,489	—	5,489
Exchange differences on translation of financial statements in foreign currencies	—	60,969	60,969	21,640	82,609
Items that will not be reclassified to profit or loss:					
Equity investment at fair value through other comprehensive income					
— Net changes in fair value	1,090,058	—	1,090,058	—	1,090,058
Total	1,205,844	60,969	1,266,813	28,990	1,295,803

53 Transferred financial assets

In the ordinary course of business, the Group transfers recognized financial assets to third parties or clients during some transactions, but retains the risks and rewards of the transferred financial assets. Therefore, the Group does not derecognize such financial assets in the balance sheet.

The Group receives payments for the transfer of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income to counterparties and has signed agreements to repurchase such assets. According to the agreements, the counterparties have the right to receive contractual cash flows during the term of the agreements and use such securities again as collateral, and is obliged to return such securities to the Group on the due date specified in the agreements. The Group believes that the risks and rewards of such financial assets are not transferred and therefore it does not derecognize such financial assets in the balance sheet.

53 Transferred financial assets (continued)

The Group receives payments for the transfer of the income right of margin financing to counterparties and has signed agreements to repurchase such assets. According to the repurchase agreements, the income right transferred to the counterparties by the Group includes any other income that the Group may obtain under the contract of margin financing and securities lending, and the counterparties shall return the income right to the Group after the end of the repurchase period. The Group believes that the risks and rewards of such financial assets are not transferred and therefore it does not derecognize such financial assets in the balance sheet.

	As at 31 December 2020		As at 31 December 2019	
	Carrying amount of transferred assets	**Carrying amount of related liabilities**	Carrying amount of transferred assets	Carrying amount of related liabilities
Repurchase agreements	**529,848**	**520,000**	7,125,362	(6,800,000)
Securities lending	**3,735,467**	**—**	532,176	—

54 Leases

A. Leases as lessee (IFRS 16)

The Group leases office buildings, securities branches and operating premises. The leases typically run for a period of 3 years. Previously, these leases were classified as operating leases under IAS 17.

The Group leases vehicles, IT equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

i. Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment.

2020	**Land and buildings**	**Total**
Balance at 1 January	**793,825**	**793,825**
Depreciation charge for the year	**(324,967)**	**(324,967)**
Additions to right-of-use assets	**395,824**	**395,824**
Balance at 31 December	**864,682**	**864,682**

54 LEASES (continued)

A. Leases as lessee (IFRS 16) (continued)

i. Right-of-use assets (continued)

2019	Land and buildings	Total
Balance at 1 January	866,295	866,295
Depreciation charge for the year	(268,167)	(268,167)
Additions to right-of-use assets	195,697	195,697
Derecognition of right-of-use assets	—	—
Balance at 31 December	793,825	793,825

ii. Amounts recognised in profit or loss

In thousands of RMB	2020	2019
Leases under IFRS 16		
Interest on lease liabilities	**35,622**	32,501
Expenses relating to short-term leases	**14,674**	84,156
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	**207**	1,754

iii. Amounts recognized in statement of cash flows

In thousands of RMB	2020	2019
Total cash outflow for leases	**348,357**	314,762

B. Leases as lessor

The Group leases out its investment property consisting of its owned commercial properties as well as leased property. All leases are classified as operating leases from a lessor perspective.

i. Operating lease

The Group leases out its investment property. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 20 sets out information about the operating leases of investment property.

Rental income recognized by the Group during 2020 was RMB13,351 thousand (2019: RMB20,560 thousand).

55 Interests in structured entities

(a) Interests in structured entities consolidated by the Group

The Group had consolidated certain structured entities, mainly wealth management products. For those structured entities where the Group is involved as manager or as investor, the Group assesses the controlling power according to accounting policies stated in Note 2(6)(i).

As at 31 December 2020 and 2019, the net assets of the consolidated asset management products are RMB31,594,350 thousand and RMB20,542,691 thousand respectively, and the carrying amount of interests held by the Group in the consolidated structured entities are RMB20,022,637 thousand and RMB9,274,728 thousand respectively.

Interests held by other investors in these consolidated structured entities were classified as net investment gains or interest expenses of the consolidated statements of profit or loss, financial liabilities at fair value through profit or loss, other payables and accruals or other non-current liabilities of the consolidated statements of financial position.

At 31 December 2020, the Group reassessed the control of structured entities and decided whether the Group is still a principal.

(b) Structured entities sponsored by third party institutions which the Group does not consolidate but holds an interest in

The types of structured entities that the Group does not consolidate but in which it holds an interest include funds and wealth management products issued by banks or other financial institutions. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These vehicles are financed through the issued units to investors.

The carrying amount of the related accounts in the consolidated statements of financial position is equal to the maximum exposure to loss of interests held by the Group in the unconsolidated structured entities sponsored by third party institutions as at 31 December 2020, which are listed as below:

	2020			
	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial assets measured at amortized cost	Total
Funds	—	27,207,108	—	27,207,108
Wealth management products and others	6,702,007	22,724,103	5,134,170	34,560,280
Total	6,702,007	49,931,211	5,134,170	61,767,388

55 Interests in structured entities (continued)

(b) Structured entities sponsored by third party institutions which the Group does not consolidate but holds an interest in (continued)

	2019			
	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial assets measured at amortized cost	Total
Funds	—	20,816,140	—	20,816,140
Wealth management products and others	6,552,736	13,059,215	5,521,041	25,132,992
Total	6,552,736	33,875,355	5,521,041	45,949,132

(c) Structured entities sponsored by the Group which the Group does not consolidate

The types of structured entities sponsored by the Group which the Group does not consolidate but in which it holds an interest include funds and asset management products.

The carrying amount of the related accounts in the consolidated statements of financial position is equal to the maximum exposure to loss of interests held by the Group in the unconsolidated structured entities sponsored by the Group as at 31 December 2020, which are listed as below:

	2020		
	Financial assets at fair value through profit or loss	**Financial assets measured at amortized cost**	**Total**
Funds	**2,076,115**	**—**	**2,076,115**
Wealth management products and others	**3,490,857**	**—**	**3,490,857**
Total	**5,566,972**	**—**	**5,566,972**

55 Interests in structured entities (continued)

(c) Structured entities sponsored by the Group which the Group does not consolidate (continued)

	2019		
	Financial assets at fair value through profit or loss	Financial assets measured at amortized cost	Total
Funds	2,694,953	—	2,694,953
Wealth management products and others	2,663,668	1,006,574	3,670,242
Total	5,358,621	1,006,574	6,365,195

As at 31 December 2020 and 2019, the net assets of these unconsolidated structured entities in which the Group acted as asset manager amounted to RMB481,655,222 thousand and RMB599,981,386 thousand, respectively.

During the years ended 31 December 2020 and 2019, the Group recognized the net income from asset management business of RMB1,264,558 thousand and RMB1,289,606 thousand, respectively. As at 31 December 2020 and 2019, the corresponding remuneration receivables totaled RMB934,646 thousand and RMB547,446 thousand, respectively.

56 Contingencies

As at 31 December 2020, the Group was not involved in any material legal, arbitration or administrative proceedings that if adversely determined, the Group expect would materially adversely affect their financial position or results of operations.

57 Related party relationships and transactions

(a) Relationship of related parties

(i) Major shareholders

Major shareholders include shareholders of the Company with 5% or above ownership. Share percentage in the Company:

	As at 31 December	
	2020	2019
China Jianyin Investment Ltd.	**26.34%**	26.34%
Central Huijin Investment Ltd.	**20.05%**	20.05%

(ii) Associates and joint ventures of the Company

The detailed information of the Company's associates and joint ventures is set out in Note 23.

(iii) Other related parties

Other related parties mainly include subsidiaries of major shareholders and key management personnel.

(b) Related parties transactions and balances

(i) Transactions between the Group and major shareholders:

	As at 31 December	
	2020	2019
Balances at the end of the year		
Financial assets at fair value through profit or loss	**—**	—
Other receivables and prepayments	**—**	—

57 Related party relationships and transactions (continued)

(b) Related parties transactions and balances (continued)

(i) Transactions between the Group and major shareholders: (continued)

	As at 31 December	
	2020	2019
Transactions during the year		
Fee and commission income	**3,434**	47
Net investment gains	**(2,597)**	918

(ii) Transactions between the Group with associates, joint ventures and other related parties:

	As at 31 December	
	2020	2019
Balances at the end of the year		
Cash and bank balances	**53,855,630**	44,530,987
Financial assets at fair value through profit or loss	**565,965**	328,499
Financial assets at fair value through other comprehensive income	**145,497**	137,753
Accounts receivable	**86,112**	84,237
Right-of-use assets	**11,803**	19,625
Financial assets sold under repurchase agreements	**4,807,845**	10,887,742
Other payables and accruals	**34,170**	59,674
Lease liabilities	**11,230**	18,832
Reserves	**—**	59,526

	As at 31 December	
	2020	2019
Transactions during the year		
Interest income	**1,245,997**	1,284,064
Fee and commission income	**277,740**	250,361
Net investment gains	**423,038**	238,594
Other income and gains	**11,987**	13,349
Interest expenses	**147,373**	193,122
Fee and commission expenses	**96,087**	81,011
Other operating expenses	**7,605**	13,960
Depreciation and amortization expenses	**5,428**	5,579

57 Related party relationships and transactions (continued)

(c) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and supervisors as disclosed in Note 15, is as follows:

	As at 31 December	
	2020	2019
Short-term employee benefits		
— Fees, salaries, allowances and bonuses	**29,126**	24,823
Post-employment benefits		
— Contributions to pension scheme	**524**	2,223
Total	**29,650**	27,046

Total remuneration is included in "staff costs" (see Note 10).

The emoluments paid or payable to 5 (2019: 4) senior managements were with the following bands:

	2020 Number of individuals	2019 Number of individuals
HKDnil to HKD1,000,000	**1**	1
HKD1,000,001 to HKD2,000,000	**1**	—
HKD2,000,001 to HKD3,000,000	**1**	3
HKD3,000,001 to HKD4,000,000	**2**	—

58 Segment reporting

Management manages the business operations by the following segments in accordance with the nature of the operations and the services provided:

— Enterprise finance segment includes investment banking and principal investment services to the corporate clients: investment banking business primarily includes equity underwriting and sponsorship, debt underwriting and financial advisory services; principal investment business primarily includes the Group's equity investment in unlisted companies and debt investment primarily through various financial instruments;

— Personal finance segment primarily includes securities and futures brokerage, margin financing and securities lending, stock-backed lending, sales of financial products and investment advisory provided to individuals and non-professional institutional investors;

— Institutional services and trading segment primarily includes prime brokerage and research services for professional institutional clients, as well as equity and Fixed Income Currencies and Commodities (FICC) proprietary trading to provide sales, market-making, hedging and OTC derivatives services to institutional clients;

— Investment management segment primarily includes asset management, mutual fund management, private equity fund management services to clients.

58 Segment reporting (continued)

Business segments

For the year ended 31 December 2020

	Enterprise finance		Personal finance	Institutional services and trading	Investment management	Segment total
	Investment banking	Principal investment				
Fee and commission income	1,533,831	10,870	5,967,711	1,237,854	1,305,468	10,055,734
Interest income	23,957	510,501	6,761,700	4,028,006	581,706	11,905,870
Net investment gains	40,889	674,104	63,621	5,326,708	461,394	6,566,716
Other income and gains	3,910	198,485	56,987	10,328,590	40,081	10,628,053
Total revenue and other income	1,602,587	1,393,960	12,850,019	20,921,158	2,388,649	39,156,373
Segment expenses	906,887	1,394,528	8,658,352	17,274,452	1,865,192	30,099,411
Including: Interest expenses	835	807,726	2,506,062	4,539,647	445,405	8,299,675
Provision for impairment losses	187	25,247	326,020	46,647	416,806	814,907
Share of profit of associates and joint ventures	–	291,505	–	–	–	291,505
Profit before income tax	695,700	290,937	4,191,667	3,646,706	523,457	9,348,467
Other segment information:						
Depreciation and amortization expenses	16,749	47,807	350,142	151,131	39,718	605,547
Capital expenditure paid	3,882	127,731	107,951	31,557	16,430	287,551
As at 31 December 2020						
Segment assets	2,819,694	32,875,477	167,400,566	257,606,945	28,214,703	488,917,385
Deferred tax assets						2,206,892
Segment total assets						491,124,277
Segment liabilities	900,311	20,948,144	152,244,226	205,430,603	21,508,255	401,031,539
Deferred tax liabilities						2,148
Segment total liabilities						401,033,687

58 Segment reporting (continued)

Business segments (continued)

For the year ended 31 December 2019

	Enterprise finance		Personal finance	Institutional services and trading	Investment management	Segment total
	Investment banking	Principal investment				
Fee and commission income	1,146,558	81,337	4,140,486	841,946	1,329,884	7,540,211
Interest income	22,801	737,714	6,908,903	2,854,534	502,850	11,026,802
Net investment gains	48,841	310,267	176,024	4,643,322	147,420	5,325,874
Other income and gains	587	369,812	119,309	8,826,351	42,595	9,358,654
Total revenue and other income	1,218,787	1,499,130	11,344,722	17,166,153	2,022,749	33,251,541
Segment expenses	811,075	1,483,321	8,555,561	14,392,010	1,364,481	26,606,448
Including: Interest expenses	1,266	677,524	3,112,633	3,664,058	351,647	7,807,128
Provision for impairment losses	97	439,296	151,833	72,439	196,315	859,980
Share of profit of associates and joint ventures	–	282,138	–	–	–	282,138
Profit before income tax	407,712	297,947	2,789,161	2,774,143	658,268	6,927,231
Other segment information:						
Depreciation and amortization expenses	23,186	39,590	320,191	124,721	46,182	553,870
Capital expenditure paid	4,654	91,731	95,558	16,857	14,071	222,871
As at 31 December 2019						
Segment assets	1,944,266	32,627,047	146,499,164	181,483,658	24,149,738	386,703,873
Deferred tax assets						1,833,395
Segment total assets						388,537,268
Segment liabilities	388,576	20,723,953	129,955,104	137,407,611	15,228,059	303,703,303
Deferred tax liabilities						2,558
Segment total liabilities						303,705,861

The Group's non-current assets are mainly located in mainland China. The Group's revenue are substantially derived from its operations in mainland China.

59 Financial instruments and risk management

The risks faced by the Group in its daily operation and management mainly include market risk, credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, their sources and their changes during the year, as well as the Group's objectives, policies and processes for measuring and managing risks and their changes during the year.

The Group aims to strike an appropriate balance between the risks and benefits of its financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Group's financial performance. Based on such objectives, the Group's risk management policies are established to identify and assess the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and compliance with limits. Risk management policies and internal control systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(a) Credit risk

Credit risk refers to the risk that the Group may face when its financiers, counterparties or bond issuers fail to perform the agreed financial obligations. The Group's credit risk exposures mainly exist in its personal finance, proprietary trading, and principal investment businesses.

The Group has mainly adopted the following measures to detect, report and manage credit risk:

- Established an internal rating system for credit risk, and conducted concentration risk management of the clients;
- Optimised risk assessment and analysis of clients and collateral, and reinforced continuous supervision. The Group has also been improving credit risk management system, and set up company-level negative lists of counterparties so as to collect and manage the list of clients with bad credit, and unified the management of negative information of clients;
- Set up strict entry criteria such as bond and issuer ratings for the proprietary trading business, and carried out pre-transaction review, post-transaction monitoring, and follow up on trading behaviours, credit ratings and types of securities, as well as scale and concentration of bonds;
- Enhanced measures and policies of derivatives tradings, set up rating and entry criteria for its counterparties, and improved the risk limit indicators system and pre-transaction review standard; and
- Tightened the review and management of certain businesses, such as stock-backed lending and principal investment business, on the assessment of client, concentration control, and scale of the businesses, and closely monitor project status on a continual basis.

59 Financial instruments and risk management (continued)

(a) Credit risk (continued)

Measurement of expected credit loss

Specific criteria and basis for the three stages model:

The Group classifies the impairment stage based on individual financial instrument or financial instrument portfolio:

- Stage 1: financial instruments with low credit risk as at the end of the reporting period or no significant increase in credit risk since initial recognition, impairment provision for which shall be measured by an amount equal to the next 12 months expected credit loss (or within the expected duration if it is less than 12 months);

- Stage 2: financial instruments of which credit risk has increased significantly since initial recognition, but no credit impairment has occurred, i.e. no objective evidence of credit loss for financial instrument, impairment provision for which shall be measured by an amount equal to the lifetime expected credit loss;

- Stage 3: financial instruments that have become credit-impaired subsequent to initial recognition, impairment provision for which shall be measured by an amount equal to the lifetime expected credit loss.

For financial assets purchased or originated as credit-impaired, the Group recognises the cumulative change in expected credit losses over the lifetime since initial recognition as provision for losses. For receivables, lease receivables and contract assets that meet the conditions stipulated in the accounting standards, the Group always measures the impairment at an amount equal to the lifetime expected credit loss.

The Group assesses the credit risk of credit businesses (including margin financing and securities lending, stock-backed lending, stock repurchase, etc.) on a case-by-case basis at the end of the reporting period, and classifies credit impairment into three stages. In general, the classification criteria are as follows:

Where a credit business meets the following conditions at the same time, it is generally classified into the stage 1, that is, the credit risk has not increased significantly:

(1) No principal or interest is overdue, or the principal or interest is overdue, but the number of overdue days does not exceed 30 days (inclusive);

(2) In the absence of special circumstances such as restricted sales of collaterals or pledges, the maintenance margin ratio or collateral coverage ratio is higher than 130%; or under special circumstances such as restricted sales of collaterals or pledges, the maintenance margin ratio or collateral coverage ratio is higher than 150% or the force liquidation threshold, whichever is lower.

59 Financial instruments and risk management (continued)

(a) Credit risk (continued)

Measurement of expected credit loss (continued)

Specific criteria and basis for the three stages model: (continued)

In case of one of the following circumstances, a credit business is generally classified into the stage 2, that is, the credit risk has increased significantly:

(1) The principal or interest is overdue and the overdue days exceed 30 days (exclusive).

(2) In the absence of special circumstances such as restricted sales of collaterals or pledges, the maintenance margin ratio or collateral coverage ratio is less than 130% but higher than 100%;

(3) Under special circumstances such as restricted sales of collaterals or pledges, the maintenance margin ratio or collateral coverage ratio is less than 150% or the force liquidation threshold, whichever is lower, but higher than 100%;

In case of one of the following circumstances, a credit business is generally classified into the stage 3, that is, become credit-impaired:

(1) The principal or interest is overdue and the overdue days exceed 90 days (exclusive).

(2) maintenance margin ratio or collateral coverage ratio is lower than 100%;

(3) The principal and interest have not been fully recovered after the disposal of the collaterals or pledges;

Inputs, assumptions and estimation techniques for each stage:

The Group adopts the default probability/loss given default method and the loss rate method to measure expected credit losses based on the risk characteristics and information of the assets.

Default probability/loss given default method refers to a method of measuring expected credit losses by estimating the default risk exposure, default probability, and loss given default of a single asset or asset portfolio. Loss rate method refers to the method of directly estimating the loss rate to measure the expected credit losses without estimating the default probability and the loss given default.

The Group adopts the loss rate method for impairment measurement of its credit businesses.

59 Financial instruments and risk management (continued)

(a) Credit risk (continued)

Measurement of expected credit loss (continued)

Inputs, assumptions and estimation techniques for each stage: (continued)

(1) Determination of loss rate

The loss rate of the Group's credit businesses is determined using the following methods for different impairment stages:

For credit businesses of the stages 1 and 2, the Group uses a loss rate model for measurement which, based on historical data, as well as maintenance margin ratio or collateral coverage ratio, condition of collateral or pledge, credit rating of the customer, etc., to determine different loss rate for credit businesses with varying degrees of credit risk;

For credit businesses of the stage 3, the Group comprehensively evaluates all contractual cash flows expected to be received through evaluating the debtor's credit status and repayment ability on a case-by-case basis after consideration of the value of the debtor's encumbered assets including stocks and additional collaterals and other credit enhancement measures, and makes provision for impairment based on the difference between all contract cash flows receivable from contracts and all cash flows expected to be received.

(2) Determination of measurement base

The measurement base for the Group's credit businesses is determined based on the amortized cost of the credit businesses.

(3) Forward-looking adjustments

The Group comprehensively considers five indicators including economic growth, investment, price index, interest rate indicator, and stock market, and assigns a certain weight to each of the five indicators to calculate a comprehensive score, and comprehensively determines the forward-looking adjustment coefficient based on the different sections of the score.

59 Financial instruments and risk management (continued)

(a) Credit risk (continued)

The maximum credit risk exposure on the balance sheet date, without taking into account any collateral and other credit enhancements, refers to the carrying value of the relevant financial assets after the deduction of impairment provisions. The Group's maximum credit risk exposure is disclosed as follows:

(i) Maximum exposure to credit risk

Maximum exposure to credit risk of the Group and the Company without taking account of any collateral and other credit enhancements:

	As at 31 December	
	2020	2019
Refundable deposits	**18,347,661**	8,878,241
Accounts receivable	**3,088,616**	1,968,153
Other receivables and prepayments	**812,227**	897,593
Margin accounts receivable	**74,212,401**	53,048,414
Financial assets held under resale agreements	**26,659,737**	39,250,939
Financial assets at fair value through profit or loss	**100,934,101**	77,885,842
Derivative financial assets	**1,650,558**	481,835
Financial assets measured at amortized cost	**6,452,203**	7,312,725
Financial assets at fair value through other comprehensive income	**57,282,609**	44,029,180
Clearing settlement funds	**5,974,014**	3,230,861
Cash held on behalf of brokerage clients	**88,136,292**	71,197,312
Bank balances	**22,922,536**	25,055,628
Total maximum credit risk exposure	**406,472,955**	333,236,723

59 Financial instruments and risk management (continued)

(a) Credit risk (continued)

(ii) Risk concentrations

The Group's maximum credit risk exposure without taking into account any collateral and other credit enhancements, as categorised by geographical area:

	By geographical area		
	Mainland China	Outside Mainland China	Total
31 December 2020			
Refundable deposits	18,329,186	18,475	18,347,661
Accounts receivable	1,827,838	1,260,778	3,088,616
Other receivables and prepayments	504,072	308,155	812,227
Margin accounts receivable	71,772,253	2,440,148	74,212,401
Financial assets held under resale agreements	26,584,810	74,927	26,659,737
Financial assets at fair value through profit or loss	97,910,681	3,023,420	100,934,101
Derivative financial assets	1,647,951	2,607	1,650,558
Financial assets measured at amortized cost	5,134,170	1,318,033	6,452,203
Financial assets at fair value through other comprehensive income	57,021,616	260,993	57,282,609
Clearing settlement funds	5,956,273	17,741	5,974,014
Cash held on behalf of brokerage clients	83,654,693	4,481,599	88,136,292
Bank balances	22,524,736	397,800	22,922,536
Total maximum credit risk exposure	392,868,279	13,604,676	406,472,955

59 Financial instruments and risk management (continued)

(a) Credit risk (continued)

(ii) Risk concentrations (continued)

	By geographical area		
	Mainland China	Outside Mainland China	Total
31 December 2019			
Refundable deposits	8,867,777	10,464	8,878,241
Accounts receivable	1,095,861	872,292	1,968,153
Other receivables and prepayments	820,757	76,836	897,593
Margin accounts receivable	52,258,663	789,751	53,048,414
Financial assets held under resale agreements	39,250,939	—	39,250,939
Financial assets at fair value through profit or loss	75,854,243	2,031,599	77,885,842
Derivative financial assets	481,835	—	481,835
Financial assets measured at amortized cost	6,828,027	484,698	7,312,725
Financial assets at fair value through other comprehensive income	43,360,585	668,595	44,029,180
Clearing settlement funds	3,212,073	18,788	3,230,861
Cash held on behalf of brokerage clients	67,794,380	3,402,932	71,197,312
Bank balances	23,981,799	1,073,829	25,055,628
Total maximum credit risk exposure	323,806,939	9,429,784	333,236,723

59 Financial instruments and risk management (continued)

(a) Credit risk (continued)

(iii) Credit rating

The Group adopts a credit rating system to monitor the credit risk of the debt securities portfolio. Rating of debt securities is referenced from major rating institutions in which debt issuers are located. The carrying amounts of debt securities at the end of the reporting period are categorised by the following rating distribution:

	As at 31 December	
	2020	2019
Rating		
Long-term bonds		
AAA	**78,855,922**	49,002,340
From A- to AA+	**25,847,475**	21,305,343
From B- to BBB+	**907,925**	520,680
C	**2,080**	197
Non-rated[(1)]	**41,036,826**	44,819,751
Sub-total	**146,650,228**	115,648,311
Short-term bonds		
AAA	**3,505,811**	1,420,817
From A to AA+	**554,490**	489,882
A-1	**1,148,024**	1,425,287
Non-rated[(1)]	**7,561,635**	3,193,123
Sub-total	**12,769,960**	6,529,109
Total	**159,420,188**	122,177,420

(1) Non-rated financial assets mainly represent debts instruments issued by the MOF, the PBOC, policy banks, private placed bonds, and super & short-term commercial papers.

59 Financial instruments and risk management (continued)

(a) Credit risk (continued)

(iv) Provision matrix

The following table provides information about the Group's ECLs for financial assets as at the end of the reporting period:

	Impairment loss allowance as at 31 December 2020				
	12-month ECL	Lifetime ECL — not credit impaired	Lifetime ECL — credit impaired	Total	ECL rate
Cash and bank balances	3,699	—	—	3,699	0.02%
Margin accounts receivable	140,408	—	199,831	340,239	0.46%
Accounts receivable	—	71,889	485,748	557,637	15.29%
Financial assets held under resale agreements	47,177	7,845	933,957	988,979	3.58%
Financial assets measured at amortized cost	50,767	—	488,894	539,661	7.72%
Financial assets at fair value through other comprehensive income	56,053	23,818	209,577	289,448	0.43%
Other receivables and prepayments	—	73,230	186,397	259,627	7.02%
Total	298,104	176,782	2,504,404	2,979,290	1.45%

	Impairment loss allowance as at 31 December 2019				
	12-month ECL	Lifetime ECL — not credit impaired	Lifetime ECL — credit impaired	Total	ECL rate
Cash and bank balances	2,875	—	—	2,875	0.01%
Margin accounts receivable	102,550	—	77,338	179,888	0.34%
Accounts receivable	—	50,962	211,638	262,600	11.77%
Financial assets held under resale agreements	93,847	10,458	698,728	803,033	2.00%
Financial assets measured at amortized cost	5,112	163	444,760	450,035	5.80%
Financial assets at fair value through other comprehensive income	47,422	29,791	201,132	278,345	0.52%
Other receivables and prepayments	—	18,643	186,202	204,845	11.88%
Total	251,806	110,017	1,819,798	2,181,621	1.19%

59 Financial instruments and risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group may face if the Group fails to acquire sufficient funds in time with reasonable cost to repay its debts due, perform other payment obligations and satisfy capital requirements in normal business operations.

In managing its liquidity risks, the Group considers its short, medium and long-term funding needs and liquidity management requirements, and reinforce the management of both the total amount and the structure of high-quality liquid assets through continuously improving the management system of its liquidity reserve, so as to maintain a sufficient liquidity reserve. The Group maintains adequate cash and cash equivalents and continuously monitors and compares cash flow forecast and actual cash flows. The Group also adopts a risk indicator analysis method to manage its overall liquidity risk. Through the analysis of key risk indicators, such as liquidity coverage ratio, net stable funding ratio, liquidity gap, and asset and liability concentration, the Group assesses and measures its overall liquidity risk status.

For liquidity risks, the Group has primarily adopted the following measures:

- Formulated a comprehensive capital plan to maintain a sufficient liquidity reserve;
- Expanded the scope of cooperation of financial institutions, improved debt financing management capabilities and diversified liquidity management tools;
- Enhanced the dynamic monitoring of liquidity risk, maintained the tracking and assessment of information such as liquidity monitoring indicators, cash flow gap, liquidity reserve and its short-term financing capabilities;
- Carried out stress testing of liquidity risk, improved the ability to measure liquidity shock and put forward effective measures; and
- Improved the capability of reporting and dealing with liquidity risk contingencies through conducting emergency drills for liquidity risk to enhance the ability to respond to liquidity crisis.

59 Financial instruments and risk management (continued)

(b) Liquidity risk (continued)

The following tables show the details of the Group's contractual cash flow from its undiscounted financial liabilities (including interest payments computed using contractual rates or, if floating, based on rates as of 31 December) for the remainder of the contract as well as the earliest date the Group may be required to pay:

	As at 31 December 2020							
	Carrying amount	Repayable on demand	Less than 1 month	More than 1 month but less than 3 months	More than 3 months but less than 1 year	More than 1 year but less than 5 years	More than 5 years	Total
Financial liabilities								
Loans and borrowings	4,346,935	–	4,251,486	–	104,250	–	–	4,355,736
Short-term debt instruments issued	40,505,069	–	8,215,952	13,467,418	19,631,270	–	–	41,314,640
Placements from other financial institutions	4,430,000	–	4,432,785	–	–	–	–	4,432,785
Financial liabilities at fair value through profit or loss	3,451,937	–	2,357,040	–	519,735	575,162	–	3,451,937
Accounts payable to brokerage clients	97,535,040	97,535,040	–	–	–	–	–	97,535,040
Other payables and accruals	18,752,890	18,658,506	49,041	–	45,343	–	–	18,752,890
Financial assets sold under repurchase agreements	103,314,547	–	91,535,407	2,635,981	9,143,159	–	–	103,314,547
Derivative financial liabilities	2,221,291	–	831,096	940,059	428,046	22,090	–	2,221,291
Long-term bonds	118,167,945	–	257,908	1,079,781	20,680,739	119,663,379	–	141,681,807
Lease liabilities	862,820	–	44,320	48,798	275,609	455,898	38,195	862,820
Other non-current liabilities	222,575	–	–	–	–	222,575	–	222,575
Total	393,811,049	116,193,546	111,975,035	18,172,037	50,828,151	120,939,104	38,195	418,146,068

59 Financial instruments and risk management (continued)

(b) Liquidity risk (continued)

	As at 31 December 2019							
	Carrying amount	Repayable on demand	Less than 1 month	More than 1 month but less than 3 months	More than 3 months but less than 1 year	More than 1 year but less than 5 years	More than 5 years	Total
Financial liabilities								
Loans and borrowings	1,461,734	–	989,640	4,188	483,614	–	–	1,477,442
Short-term debt instruments issued	17,065,153	–	4,875,120	9,143,827	3,392,325	–	–	17,411,272
Placements from other financial institutions	10,951,074	–	5,483,462	1,034,000	3,953,720	636,000	–	11,107,182
Financial liabilities at fair value through profit or loss	384,170	–	6,596	280,825	95,749	1,000	–	384,170
Accounts payable to brokerage clients	77,053,335	77,053,335	–	–	–	–	–	77,053,335
Other payables and accruals	14,180,264	14,028,765	35,182	–	116,317	–	–	14,180,264
Financial assets sold under repurchase agreements	83,943,834	–	71,000,110	5,295,580	8,094,959	–	–	84,390,649
Derivative financial liabilities	614,656	–	19,532	34,250	519,932	40,942	–	614,656
Long-term bonds	91,735,204	–	1,511,550	2,636,091	20,727,596	78,019,590	–	102,894,827
Lease liabilities	779,731	–	36,842	44,866	220,007	502,679	58,960	863,354
Other non-current liabilities	102,501	–	–	–	–	102,501	–	102,501
Total	298,271,656	91,082,100	83,958,034	18,473,627	37,604,219	79,302,712	58,960	310,479,652

(c) Market risk

Market risk refers to the risk resulting from the adverse effects on the Group's revenue or the value of financial instruments held by us due to market price changes of the equity securities, fixed-income securities and various derivative financial instruments held by the Group. The Group also faces foreign exchange rate risks in currencies such as the Renminbi, US dollar ("USD") and HK dollar. Market risk management aims to control the market risk within an acceptable range so as to maximize risk-adjusted returns. The Group conducts dynamic monitoring and grade warnings of risk indicators to ensure relevant countermeasures can be undertaken in a timely manner. The Group also conducts stress tests regularly to measure changes of various risk control indicators and operating indicators under different stress situations.

59 Financial instruments and risk management (continued)

(c) Market risk (continued)

(i) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will affect the Group's operation performance, financial position and cash flows. The Group's interest-bearing assets mainly include cash and bank balances, clearing settlement funds, margin accounts receivable, financial assets at fair value through profit or loss, financial assets held under resale agreements, refundable deposits and financial assets at fair value through other comprehensive income; interest-bearing liabilities mainly include loans and borrowings, short-term debt instruments issued, placements from other financial institutions, financial liabilities at fair value through profit or loss, financial assets sold under repurchase agreements, accounts payable to brokerage clients and long-term bonds.

For financial instruments held on the balance sheet date that expose the Group to fair value interest rate risk, the Group applies interest rate repricing exposure analysis and sensitivity analysis as the primary approach for monitoring interest rate risk. Sensitivity analysis measures the effect of any reasonable and possible changes in the interest rate on the net profits and shareholders' equity with all other variables held constant.

The following tables indicate the interest rate risk of the Group as at 31 December 2020. In the tables, financial assets and liabilities as at 31 December 2020 are presented by the expected next repricing date or maturity date, whichever is earlier:

59 Financial instruments and risk management (continued)

(c) Market risk (continued)

(i) Interest rate risk (continued)

	As at 31 December 2020					
	Less than 3 months	More than 3 months but less than 1 year	More than 1 year but less than 5 years	More than 5 years	Non interest-bearing	Total
Financial assets						
Financial assets measured at amortized cost	575,116	2,831,112	811,245	–	2,234,730	6,452,203
Financial assets at fair value through other comprehensive income	1,030,654	5,216,136	40,474,296	9,194,727	10,438,619	66,354,432
Financial assets held under resale agreements	19,089,010	6,374,466	1,144,351	–	51,911	26,659,738
Refundable deposits	4,245,195	–	–	–	14,102,466	18,347,661
Accounts receivable	–	–	–	–	3,088,616	3,088,616
Other receivables and prepayments	–	–	–	–	812,227	812,227
Margin accounts receivable	31,555,772	40,934,324	–	–	1,722,305	74,212,401
Financial assets at fair value through profit or loss	8,040,493	14,204,834	74,509,108	2,665,767	65,147,655	164,567,857
Derivative financial assets	–	–	–	–	1,650,558	1,650,558
Clearing settlement funds	5,967,900	–	–	–	6,114	5,974,014
Cash held on behalf of brokerage clients	85,636,292	2,500,000	–	–	–	88,136,292
Cash and bank balances	20,360,023	2,257,231	–	–	305,613	22,922,867
Total	176,500,455	74,318,103	116,939,000	11,860,494	99,560,814	479,178,866
Financial liabilities						
Loans and borrowings	(4,246,431)	(100,000)	–	–	(504)	(4,346,935)
Short-term debt instruments issued	(27,469,013)	(12,767,627)	–	–	(268,429)	(40,505,069)
Placements from other financial institutions	(4,430,000)	–	–	–	–	(4,430,000)
Accounts payable to brokerage clients	(66,276,712)	–	–	–	(31,258,328)	(97,535,040)
Other payables and accruals	(134,229)	–	–	–	(18,618,661)	(18,752,890)
Financial liabilities at fair value through profit or loss	(1,953,615)	(401,056)	(574,213)	–	(523,053)	(3,451,937)
Financial assets sold under repurchase agreements	(94,054,241)	(9,058,364)	–	–	(201,942)	(103,314,547)
Derivative financial liabilities	–	–	–	–	(2,221,291)	(2,221,291)
Long-term bonds	(497,578)	(19,894,991)	(95,429,975)	–	(2,345,401)	(118,167,945)
Lease liabilities	(93,119)	(275,609)	(455,896)	(38,196)	–	(862,820)
Other non-current liabilities	–	–	–	–	(222,575)	(222,575)
Total	(199,154,938)	(42,497,647)	(96,460,084)	(38,196)	(55,660,184)	(393,811,049)
Net interest rate risk exposure	(22,654,483)	31,820,456	20,478,916	11,822,298	43,900,630	85,367,817

59 Financial instruments and risk management (continued)

(c) Market risk (continued)

(i) Interest rate risk (continued)

	As at 31 December 2019					
	Less than 3 months	More than 3 months but less than 1 year	More than 1 year but less than 5 years	More than 5 years	Non interest-bearing	Total
Financial assets						
Financial assets measured at amortized cost	1,349,831	3,908,686	1,127,141	–	927,067	7,312,725
Financial assets at fair value through other comprehensive income	234,051	3,997,891	33,713,151	5,192,191	10,337,238	53,474,522
Financial assets held under resale agreements	22,330,935	11,360,937	5,502,506	–	56,561	39,250,939
Refundable deposits	1,303,108	–	–	–	7,575,133	8,878,241
Accounts receivable	–	–	–	–	1,968,153	1,968,153
Other receivables and prepayments	–	–	–	–	897,593	897,593
Margin accounts receivable	13,409,506	38,262,398	–	–	1,376,510	53,048,414
Financial assets at fair value through profit or loss	2,585,633	10,671,488	58,753,999	4,541,140	38,675,967	115,228,227
Derivative financial assets	–	–	–	–	481,835	481,835
Clearing settlement funds	3,229,731	–	–	–	1,130	3,230,861
Cash held on behalf of brokerage clients	69,245,477	1,951,835	–	–	–	71,197,312
Cash and bank balances	23,243,592	1,216,000	–	–	596,575	25,056,167
Total	136,931,864	71,369,235	99,096,797	9,733,331	62,893,762	380,024,989
Financial liabilities						
Loans and borrowings	(986,884)	(473,423)	–	–	(1,427)	(1,461,734)
Short-term debt instruments issued	(13,670,837)	(3,326,704)	–	–	(67,612)	(17,065,153)
Placements from other financial institutions	(6,478,956)	(3,808,610)	(602,581)	–	(60,927)	(10,951,074)
Accounts payable to brokerage clients	(56,398,164)	–	–	–	(20,655,171)	(77,053,335)
Other payables and accruals	(133,862)	–	–	–	(14,046,400)	(14,180,262)
Financial liabilities at fair value through profit or loss	–	(279,089)	–	–	(105,081)	(384,170)
Financial assets sold under repurchase agreements	(75,982,904)	(7,776,257)	–	–	(184,673)	(83,943,834)
Derivative financial liabilities	–	–	–	–	(614,656)	(614,656)
Long-term bonds	(3,364,864)	(17,520,325)	(68,636,680)	–	(2,213,335)	(91,735,204)
Lease liabilities	(78,336)	(207,853)	(447,928)	(45,614)	–	(779,731)
Other non-current liabilities	–	–	–	–	(102,501)	(102,501)
Total	(157,094,807)	(33,392,261)	(69,687,189)	(45,614)	(38,051,783)	(298,271,654)
Net interest rate risk exposure	(20,162,943)	37,976,974	29,409,608	9,687,717	24,841,979	81,753,335

59 Financial instruments and risk management (continued)

(c) Market risk (continued)

(i) Interest rate risk (continued)

Sensitivity analysis

For those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period, the Group adopts sensitivity analysis to measure the potential effect of changes in interest rates on the Group's and the Company's profit after tax and equity. Assuming all other variables remain constant, interest rate sensitivity analysis is as follows:

	Sensitivity of profit after tax As at 31 December	
	2020	2019
Move in yield curve		
Up 25 basis points	**(214,766)**	(188,489)
Down 25 basis points	**219,866**	193,470

	Sensitivity of equity As at 31 December	
	2020	2019
Move in yield curve		
Up 25 basis points	**(406,757)**	(365,638)
Down 25 basis points	**415,481**	374,744

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax and equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period.

In respect of the exposure to cash flow interest rate risk arising from floating rate non-instruments held by the Group, the impact on the Group's profit after tax and equity is estimated as an annualised impact on interest expense or income of such a change in interest rates.

59 Financial instruments and risk management (continued)

(c) Market risk (continued)

(ii) Foreign currency risk

Foreign currency risk is the risk arising from foreign exchange business of the Group, which is attributable to the fluctuation and monitor of foreign exchange rates. The Group adopts sensitivity analysis to measure and monitor currency risk.

Assuming all other risk variables remained constant and without consideration of risk management measures undertaken by the Group, a 10% strengthening of the RMB against the US dollar, HKD and other currencies at the end of the reporting period , under the assumption of the foreign exchange rate changes within the period from the end of the reporting period to next whole year, would have increased/(decreased) the Group' s equity and profit after tax by the amount shown below, whose effect is in RMB and translated using the spot rate at the end of the reporting period:

	Sensitivity of profit after tax As at 31 December	
	2020	2019
Currency		
USD	**115,162**	(2,444)
HKD	**(557,056)**	(407,889)
Other currencies	**10,801**	(2,778)

	Sensitivity of equity As at 31 December	
	2020	2019
Currency		
USD	**115,162**	(2,444)
HKD	**(578,848)**	(463,716)
Other currencies	**10,801**	(2,778)

A 10% weakening of the RMB against the USD, HKD and other currencies at the end of the reporting period would have had the equal but opposite effect on them to the amounts shown above, on the basis that all other variables remained constant.

The sensitivity analysis above assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes translation differences arising from translation of foreign currency financial statements.

59 Financial instruments and risk management (continued)

(c) Market risk (continued)

(iii) Other price risk

Other price risks refer to the risk that the fair value or future cash flows of any equity securities and funds held by the Group will be affected by changes in market price factors (other than interest rates and foreign exchange rates). The Group mainly invests in stocks listed on stock exchanges and funds and the maximum market price risk is determined by fair value of financial instruments held by the Group.

Assuming that the market price of the financial instruments mentioned above increases or decreases by 10%, with all other variables held constant, the effect of these balance sheet assets on the Group shareholders' equity and net profit is listed as follows:

	Sensitivity of profit after tax As at 31 December	
	2020	2019
Increase by 10%	**2,926,408**	1,914,934
Decrease by 10%	**(2,926,408)**	(1,914,934)

	Sensitivity of equity As at 31 December	
	2020	2019
Increase by 10%	**3,084,644**	2,112,380
Decrease by 10%	**(3,084,644)**	(2,112,380)

(d) Capital management

The Group's primary objectives when managing capital are to safeguard its continued operations, so that it can continue to provide returns for shareholders, by pricing products and services according to the level of risk and by securing access to finance at a reasonable cost.

The Group's capital structure is regularly reviewed and managed to achieve an optimal structure and return for shareholders. Factors for the Group's consideration include: its future funding requirements, capital efficiency, actual and expected profitability, expected cash flows, expected capital expenditure and risk level. Adjustments are made to the capital structure in light of changes in the factors mentioned above affecting the Group.

On 16 June 2016, the CSRC issued the Measures for the Administration of Risk Control Indicators of Securities Companies (2016 revision) and the Provisions on the Calculation Basis for Risk Control Indicators of Securities Companies, which came into effect on 1 October 2016 to revise the risk control indicators and criteria that securities companies must continue monitoring. Therefore, the Group is required to continuously meet the following key criteria for risk control indicators:

(i) Risk Coverage Ratio (Net capital/Total risk capital reserves × 100%) shall be no less than 100%;

(ii) Capital Leverage Ratio (Core net capital/Total balance sheet & off-balance sheet assets × 100%) shall be no less than 8%;

59 Financial instruments and risk management (continued)

(d) Capital management (continued)

(iii) Liquidity Coverage Ratio (High quality liquid assets/Total net cash outflows over the next 30 days × 100%) shall be no less than 100%;

(iv) Net Stable Funding Ratio (Available amount of stable funding/Required amount of stable funding × 100%) shall be no less than 100%.

60 Fair value information

(a) Fair value of financial instruments

The Group adopts the following methods and assumptions when evaluating fair values:

(i) Financial assets including cash and bank balances, cash held for brokerage clients, clearing settlement funds, financial assets held under resale agreements, and financial liabilities including placements from other financial institutions and financial assets sold under repurchase agreements are mainly short-term financing or floating interest rate instruments. Accordingly, the carrying amounts approximate the fair values.

(ii) Financial assets and liabilities at fair value through profit or loss, available-for-sale financial assets, derivatives and financial assets at fair value through other comprehensive income are stated at fair value unless the fair values cannot be reliably measured. For the financial instruments traded in active open markets, the Group uses market prices or markets rates as the best estimate for their fair values. For the financial instruments without any market price or market rate, the Group determines the fair values of these financial assets and financial liabilities by discounted cash flow or other valuation methods.

(iii) Accounts receivable, other receivables and prepayments, margin accounts receivable, and accounts payable to brokerage clients mainly are within one year. Accordingly, the carrying amounts approximates the fair values.

(b) Fair value of other financial instruments (carried at other than fair value)

The carrying amounts of the Group's financial instruments carried at cost or amortized cost are not materially different from their fair values as at the end of the reporting period except for the following financial instruments, for which their carrying amounts and fair value and the level of fair value hierarchy are disclosed below:

Carrying amount

	As at 31 December	
	2020	2019
Financial liabilities		
— Long-term bonds	**118,167,945**	91,735,204

60 Fair value information (continued)

(b) Fair value of other financial instruments (carried at other than fair value) (continued)

Fair value

	As at 31 December 2020			
	Level I	**Level II**	**Level III**	**Total**
Financial liabilities				
— Long-term bonds	**—**	**106,538,367**	**12,004,860**	**118,543,227**

	As at 31 December 2019			
	Level I	Level II	Level III	Total
Financial liabilities				
— Long-term bonds	—	84,722,462	7,835,288	92,557,750

The fair values of the financial liabilities included in the level II above have been determined in accordance with generally accepted pricing models including discounted cash flow etc.

Except for the above, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the Group's statements of financial position approximate their fair values.

(c) Fair value hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

— Level I valuations: Fair value measured using only Level I inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

— Level II valuations: Fair value measured using Level II inputs i.e. observable inputs which fail to meet Level I, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

— Level III valuations: Fair value measured using significant unobservable inputs.

60 Fair value information (continued)

(c) Fair value hierarchy (continued)

If there is a reliable market quote for financial instruments, the fair value of financial instruments is based on quoted market prices. If a reliable quoted market price is not available, the fair value of the financial instruments is estimated using valuation techniques. Valuation techniques applied include reference to the fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. The inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and foreign exchange rates. Where discounted cash flow analysis is used, estimated cash flows are based on management's best estimates and the discount rate used is reference to another instrument that is substantially the same.

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	As at 31 December 2020			
	Level I	Level II	Level III	Total
Assets				
Financial assets at fair value through profit or loss				
— Debt securities	45,652,696	45,495,511	—	91,148,207
— Equity securities	6,890,416	2,812,428	1,215,077	10,917,921
— Funds	26,779,693	2,503,529	—	29,283,222
— Hybrid instrument	1,222,789	—	4,937,838	6,160,627
— Wealth management products and others	4,520,092	19,661,050	2,876,738	27,057,880
Financial assets at fair value through other comprehensive income				
— Debt securities	30,298,975	26,983,634	—	57,282,609
— Equity securities	2,109,816	—	260,000	2,369,816
— Wealth management products and others	—	6,702,007	—	6,702,007
Derivative financial assets	87,018	1,563,540	—	1,650,558
Margin accounts receivable	—	2,440,148	—	2,440,148
Total	117,561,495	108,161,847	9,289,653	235,012,995
Liabilities				
Financial liabilities at fair value through profit or loss	—	(3,451,937)	—	(3,451,937)
Derivative financial liabilities	(135,508)	(2,085,783)	—	(2,221,291)
Total	(135,508)	(5,537,720)	—	(5,673,228)

60 Fair value information (continued)

(c) Fair value hierarchy (continued)

	As at 31 December 2019			
	Level I	Level II	Level III	Total
Assets				
Financial assets at fair value through profit or loss				
— Debt securities	17,953,109	50,680,990	—	68,634,099
— Equity securities	864,903	1,060,138	123,267	2,048,308
— Funds	23,291,373	219,720	—	23,511,093
— Hybrid instrument	1,476,990	3,971	3,830,883	5,311,844
— Wealth management products and others	4,140,032	9,959,919	1,622,932	15,722,883
Financial assets at fair value through other comprehensive income				
— Debt securities	21,583,702	22,445,478	—	44,029,180
— Equity securities	2,632,606	—	260,000	2,892,606
— Wealth management products and others	—	6,552,736	—	6,552,736
Derivative financial assets	—	481,835	—	481,835
Margin accounts receivable	—	789,750	—	789,750
Total	71,942,715	92,194,537	5,837,082	169,974,334
Liabilities				
Financial liabilities at fair value through profit or loss	—	(384,170)	—	(384,170)
Derivative financial liabilities	—	(614,656)	—	(614,656)
Total	—	(998,826)	—	(998,826)

During the reporting period, there were no significant transfers among different levels of the fair value hierarchy.

60 Fair value information (continued)

(c) Fair value hierarchy (continued)

(i) Financial instruments in Level I

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price within bid-ask spread. These instruments are included in Level I. Instruments included in Level I comprise primarily securities traded on exchanges and fund investments traded through exchanges or fund management companies.

(ii) Financial instruments in Level II

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level II.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level III.

(iii) Valuation methods for specific investments

As at the end of the reporting period, the Group's valuation methods for specific investments are as follows:

(1) For exchange-listed equity securities, fair value is determined based on the closing price of the equity securities as at the reporting date within bid-ask spread. For those which has no quoted market price or those with lock-up periods as at the reporting date, valuation techniques are used to determine the fair value.

(2) For exchange-listed investment funds, fair value is determined based on the closing price within bid-ask spread as at the reporting date or the most recent trading date. For unlisted open-end funds and wealth management products, fair value is determined by quoted price which is based on the net asset value as at the reporting date.

(3) For debt securities listed through exchanges, fair values are determined based on the closing price within bid-ask spread of the debt securities as at the date of statements of financial position.

(4) For debt securities traded through the inter-bank bond market and the OTC market, fair values are determined by valuation techniques.

(5) For unlisted equity securities, wealth management products without quoted bid price in an active market and derivative financial instruments, fair value is determined using valuation techniques.

60 Fair value information (continued)

(c) Fair value hierarchy (continued)

(iv) Financial instruments in Level III

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurement in Level III of the fair value hierarchy:

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
As at 1 January 2020	**5,577,082**	**260,000**	**5,837,082**
Transfer out	**—**	**—**	**—**
Gains for the year	**522,390**	**—**	**522,390**
Changes in fair value recognized in other comprehensive income	**—**	**—**	**—**
Purchases	**3,944,036**	**—**	**3,944,036**
Sales and settlements	**(1,013,855)**	**—**	**(1,013,855)**
As at 31 December 2020	**9,029,653**	**260,000**	**9,289,653**
Total gains for the year reclassified from other comprehensive income on disposal	**—**	**—**	**—**
Total gains for the year included in profit or loss for assets held at 31 December 2020	**510,801**	**—**	**510,801**

60 Fair value information (continued)

(c) Fair value hierarchy (continued)

(iv) Financial instruments in Level III (continued)

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
As at 1 January 2019	3,508,895	260,000	3,768,895
Transfer out	(206,205)	—	(206,205)
Gains for the year	127,792	—	127,792
Changes in fair value recognized in other comprehensive income	—	—	—
Purchases	3,503,146	—	3,503,146
Sales and settlements	(1,356,546)	—	(1,356,546)
As at 31 December 2019	5,577,082	260,000	5,837,082
Total gains for the year reclassified from other comprehensive income on disposal	—	—	—
Total gains for the year included in profit or loss for assets held at 31 December 2019	164,890	—	164,890

60 Fair value information (continued)

(c) Fair value hierarchy (continued)

(iv) Financial instruments in Level III (continued)

For financial instruments in Level III, prices are determined using valuation techniques such as discounted cash flow models and other similar techniques. Determinations to classify fair value measures within Level III of the valuation hierarchy are generally based on the significance of the unobservable inputs to the overall fair value measurement. The following table presents the related valuation techniques and inputs of the major financial instruments in Level III.

Financial assets/ liabilities	Fair value hierarchy	Key valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Stock with disposal restriction within a specific period and hybrid instrument	Level III	Option pricing model	Volatility	The higher the volatility, the greater the impact on the fair value
Wealth management products, structured entities, hybrid instruments, and preferred shares	Level III	Discounted cash flow model	Risk adjusted discount rate	The higher the risk adjusted discount rate, the lower the fair value
Unlisted equity investment with limited marketability	Level III	Market comparable companies	Discount for lack of marketability	The higher the discount, the lower the fair value

The fair value of the financial instruments in level III is not significantly sensitive to a reasonable change in these unobservable inputs.

61 Possible impact of amendments, new standards and interpretations issued but not yet effective for the periods ended 31 December 2020

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2020 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021
Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
Annual Improvements to IFRS Standards 2018–2020	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2023
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption/effective date deferred indefinitely

The application of the new and revised IFRS will have no material impact on the Group's financial statements.

62 Company-level statement of financial position

(Expressed in Thousands of Renminbi, Unless Otherwise Stated)

	As at 31 December	
	2020	2019
Non-current assets		
Property and equipment	**337,002**	353,661
Investment properties	**149,666**	157,074
Other intangible assets	**1,187**	1,739
Interest in associates and joint ventures	**56,684,785**	56,541,176
Financial assets measured at amortized cost	**461,510**	816,790
Financial assets at fair value through profit or loss	**4,695,466**	3,153,509
Deferred tax assets	**218,017**	62,661
Other non-current assets	**4,077**	6,447
Total non-current assets	**62,551,710**	61,093,057
Current assets		
Other receivables and prepayments	**9,508,525**	8,885,739
Financial assets measured at amortized cost	**1,953,761**	2,880,510
Financial assets at fair value through profit or loss	**7,627,414**	4,508,586
Cash and bank balances	**1,883,960**	7,315,184
Total current assets	**20,973,660**	23,590,019
Total assets	**83,525,370**	84,683,076

62 Company-level statement of financial position (continued)

	As at 31 December	
	2020	2019
Current liabilities		
Employee benefits payable	**44,435**	57,443
Other payables and accruals	**19,390**	28,955
Current tax liabilities	**—**	66,876
Financial assets sold under repurchase agreements	**—**	506,927
Long-term bonds due within one year	**7,625,580**	—
Total current liabilities	**7,689,405**	660,201
Net current assets	**13,284,255**	22,929,818
Total assets less current liabilities	**75,835,965**	84,022,875
Non-current liabilities		
Loans and borrowings	**—**	301,427
Long-term bonds	**17,320,105**	24,933,640
Non-current employee benefits payable	**66,057**	66,057
Total non-current liabilities	**17,386,162**	25,301,124
Net assets	**58,449,803**	58,721,751
Equity		
Share capital	**25,039,945**	25,039,945
Reserves	**30,634,388**	30,461,263
Retained profits	**2,775,470**	3,220,543
Total equity	**58,449,803**	58,721,751

63 Non-adjusting events after the year ended 31 December 2020

(1) Profit distribution

Pursuant to the resolution of the Board dated 30 March 2021, the Board proposed to distribute cash dividends of RMB1.00 (tax inclusive) per 10 shares to shareholders based on the total outstanding shares of 25,039,945 thousand shares, with total dividends amounting to RMB25,039,945 thousand. The proposal is subject to the approval of the shareholders in the forthcoming annual general meeting.

(2) Issuance of long-term bonds, short-term bonds and structured notes

From 1 January 2021 to the reporting date, the Group issued long-term corporate bond, short-term bonds and a number of structured notes, which borne coupon rate ranging from fixed rate 0.10% plus floating to 2.50% plus floating rate per annum. The issuance amount was approximate RMB31 billion in total.

(3) Repayment of short-term bonds and structured notes

From 1 January 2021 to the reporting date, the Group repaid short-term bond and a number of structured notes which borne coupon rate ranging from fixed rate 0.10% plus floating to 3.60% plus floating rate per annum. The repayment amount was approximate RMB27.1 billion in total.

Section XI Documents Available for Inspection

(1) Financial statements affixed with the signatures and stamps of the legal representative of the Company, the person in charge of the accounting work of the Company and the person in charge of the accounting organization.

(2) Original of the audit report affixed with the stamp of the accounting firm and the signatures and stamps of certified public accountants.

(3) Originals of all the Company's documents and announcements publicly disclosed on the newspapers and periodicals designated by the CRSC during the Reporting Period.

(4) Annual reports published in other securities markets.

The Board of Directors
Shenwan Hongyuan Group Co., Ltd.
Chu Xiaoming
Chairman
March 30, 2021