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)

2021 FIRST QUARTERLY REPORT

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

Set out below is the 2021 first quarterly report of Shenwan Hongyuan Group Co., Ltd. (the "**Company**") and its subsidiaries (the "**Group**") as of March 31, 2021. The financial report contained therein is prepared pursuant to the China Accounting Standards for Business Enterprises and has not been audited.

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

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

Beijing, the PRC
April 29, 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.

Section I Important Notice

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

2. This quarterly report was considered and approved at the 62nd meeting of the fourth session of the board of directors of the Company. 11 directors shall participate in the poll of the meeting and the actual number of directors participated was 11.

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

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

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

Section II Basic Information of the Company

I. Key accounting data and financial indicators

Unit: RMB

Items	The reporting period	Comparative period	Increase/decrease as compared with the corresponding period of the last year (%)
Operating income	8,650,533,658.09	7,697,085,479.74	12.39
Net profit attributable to shareholders of the Company	2,431,210,656.27	1,987,384,589.49	22.33
Net profit attributable to shareholders of the Company, net of non-recurring items	2,404,984,632.04	1,974,079,120.39	21.83
Net cash flows from operating activities	-5,431,710,737.93	19,638,354,003.46	-127.66
Basic earnings per share (RMB/share)	0.10	0.08	25.00
Diluted earnings per share (RMB/share)	0.10	0.08	25.00
Weighted average return on net asset (%)	2.72	2.36	Increased by 0.36 percentage point
Items	**As at the end of the reporting period**	**As at the end of last year**	**Increase/decrease from the end of last year (%)**
Total assets	499,976,096,973.76	491,124,275,720.23	1.80
Net assets attributable to shareholders of the Company	90,543,533,412.30	88,464,616,514.81	2.35

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

Total share capital of the Company as of the trading day prior to the disclosure of this quarterly report (number of shares)	25,039,944,560
Fully diluted earnings per share calculated with reference to the latest share capital (RMB/share)	0.10

Items and amounts of the non-recurring profit or loss

Unit: RMB

Items	Amount from the beginning of the year to the end of the reporting period	Note
Profit or loss from disposal of non-current assets (including write-offs of asset impairment provision)	1,633,245.52	Mainly comprising of the profit or loss from the disposal of fixed assets
Government grants attributable to profit or loss for the period (excluding those closely related to operating activities and granted in a fixed amount or fixed quota according to the national unified standards)	41,131,169.33	Mainly comprising of the financial incentives and special grants
Other non-operating income and expenses other than the above items	-2,507,966.41	—
Less: Effect of income tax	10,064,387.19	—
Effect of non-controlling interest (net of tax)	3,966,037.02	—
Total	26,226,024.23	—

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

Unit: Share

Total number of shareholders of ordinary shares as at the end of the reporting period	299,309 (including 299,243 A shareholders and 66 H shareholders)			**Number of shareholders of preference shares with restored voting rights as at the end of the reporting period (if any)**		—
Shareholdings of the top ten shareholders						
Name of shareholders	**Nature of shareholders**	**Percentage of shareholdings (%)**	**Number of shares held**	**Number of shares held subject to lock-up**	**Pledged or frozen**	
					Share status	**Number**
China Jianyin Investment Limited	State-owned legal entity	26.34	6,596,306,947	0	—	—
Central Huijin Investment Ltd.	State shares	20.05	5,020,606,527	0	—	—
HKSCC Nominees Limited	Overseas legal person	10.00	2,503,767,380	0	N/A	
Shanghai Jiushi (Group) Co., Ltd.	State-owned legal entity	4.84	1,212,810,389	0	—	—
China Everbright Group Ltd.	State-owned legal entity	3.99	999,000,000	0	Pledged	67,500,000
Sichuan Development Holding Co., Ltd.	State-owned legal entity	3.75	939,043,633	0	Pledged	562,271,816
China Securities Finance Corporation Limited	Onshore general legal entity	2.54	635,215,426	0	—	—
Xinjiang Financial Investment Co., Ltd.	State-owned legal entity	1.84	460,642,216	0	—	—
Hong Kong Securities Clearing Company Limited	Overseas legal person	1.09	273,745,359	0	—	—
Central Huijin Asset Management Ltd.	State-owned legal entity	0.79	197,390,385	0	—	—

Shareholdings of top ten ordinary shareholders without selling restrictions			
Name of shareholders	Number of ordinary shares without selling restrictions	Type of shares	
		Type of shares	Number
China Jianyin Investment Limited	6,596,306,947	RMB-denominated ordinary shares	6,596,306,947
Central Huijin Investment Ltd.	5,020,606,527	RMB-denominated ordinary shares	5,020,606,527
HKSCC Nominees Limited	2,503,767,380	Overseas listed foreign shares	2,503,767,380
Shanghai Jiushi (Group) Co., Ltd.	1,212,810,389	RMB-denominated ordinary shares	1,212,810,389
China Everbright Group Ltd.	999,000,000	RMB-denominated ordinary shares	999,000,000
Sichuan Development Holding Co., Ltd.	939,043,633	RMB-denominated ordinary shares	939,043,633
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	273,745,359	RMB-denominated ordinary shares	273,745,359
Central Huijin Asset Management Ltd.	197,390,385	RMB-denominated ordinary shares	197,390,385
Descriptions on the related relationship or parties acting-in-concert among the aforesaid shareholders	Central Huijin Investment Ltd. holds the entire equity interest in China Jianyin Investment Limited, the entire equity interest in Central Huijin Asset Management Ltd. and 63.16% of equity interest in China Everbright Group Ltd.		
Description on any of the top ten ordinary shareholders participating in the margin financing and securities lending business (if any)	As Sichuan Development Holding Co., Ltd., a shareholder of the Company, engaged in the margin refinancing business, the number of shares held at the end of the reporting period decreased by 185,500,000 shares as compared with the end of December 2020.		

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

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

Section III Significant Events

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

Unit: RMB

Items	As at March 31, 2021	As at December 31, 2020	Percentage of change	Reason for changes
Derivative financial assets	289,465,899.79	1,650,557,818.88	-82.46%	Decrease in the size of investment in options
Equity securities not held for trading	3,397,522,549.46	9,071,822,889.58	-62.55%	Disposal of equity instrument
Amounts payable to underwriting clients	—	473,250,054.25	-100.00%	Decrease in proceeds from shares underwriting
Contract liabilities	188,168,546.66	141,790,852.68	32.71%	Increase in contract performance bond received in advance
Other comprehensive income	-1,283,006,417.73	-930,712,658.95	N/A	Decrease in fair value of equity securities not held for trading
Items	**January to March 2021**	**January to March 2020**	**Percentage of change**	**Reason for changes**
Net income from investment banking business	353,907,147.40	192,865,159.61	83.50%	Increase in underwriting business of equity financing
Other revenue	41,131,169.33	23,599,051.26	74.29%	Increase in financial incentives and special subsidies
Investment income	2,112,538,279.30	981,616,169.19	115.21%	Increase in investment income from financial assets held for trading
Gains from changes in fair value	351,271,479.05	707,912,262.85	-50.38%	Decrease in investment income from financial assets held for trading
Foreign exchange gains	8,111,505.30	28,791,053.24	-71.83%	Effect of exchange rate fluctuations
Provision for credit impairment	96,436,446.98	34,817,713.33	176.98%	Increase in provision for impairment of bond investment
Provision for other assets impairment	-6,209,678.51	244,787,656.77	-102.54%	Reversal of provision for falling price of inventories

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

(I) 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 HKExnews website of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (www.hkexnews.hk) on December 18, 2020 and January 18, 2021)

(II) On December 28, 2020, the Company convened the 57th meeting of the fourth session of the board of directors 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., a subsidiary of the Company, 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. (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 29, 2020 and March 10, 2021 and on the HKExnews website of the Stock Exchange (www.hkexnews.hk) on December 28, 2020 and March 9, 2021)

(III) 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, pursuant to which it was approved to appoint Ms. Chen Chun as the company secretary and authorized representative for the acceptance of service of process and notices in Hong Kong with effect from the date of consideration and approval of the abovementioned appointment by the board of directors. Due to job change, Ms. Fok Po Yi resigned as the company secretary and the authorized representative of the Company. The resignation of Ms. Fok Po Yi took effect from the date of consideration and approval of the abovementioned appointment by the board of directors. (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 January 30, 2021 and on the HKExnews website of the Stock Exchange (www.hkexnews.hk) on January 29, 2021)

(IV) 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. On March 30, 2021, the Resolution Regarding the Appointment of Joint Company Secretary and Authorized Representative of the Company was considered and approved at the 60th meeting of the fourth session of the board of directors, pursuant to which Mr. Xu Liang was appointed as a joint company secretary and the authorized representative of the Company. (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 March 16, 2021 and March 31, 2021 and on the HKExnews website of the Stock Exchange (www.hkexnews.hk) on March 15, 2021 and March 30, 2021)

(V) Provision of guarantee for a subsidiary

On February 26, 2019 and March 21, 2019, the Company convened a meeting of the board of directors and a general meeting, respectively, to consider and approve the Proposal Regarding the Provision of Guarantee for Hongyuan Hengli (Shanghai) Industrial Co., Ltd. (關於為宏源恒利（上海）實業有限公司提供擔保的議案), pursuant to which, the Company was permitted to provide guarantee for the external financing of Hongyuan Hengli subject to the maximum amount of RMB1.0 billion. According to resolutions of the board of directors and the general meeting of the Company, on February 19, 2021, the Company entered into the Maximum Guarantee Contract with Bank of China Limited Shanghai Xuhui Sub-branch for the comprehensive credit granting business of Hongyuan Hengli, to provide irrevocable joint liability guarantee of RMB100 million for Hongyuan Hengli. On March 12, 2021, the Company entered into relevant guarantee contract with Ping An Bank Co., Ltd. Shanghai Branch and China Minsheng Banking Co., Ltd. Shanghai Branch, respectively, for comprehensive credit granting business of Hongyuan Hengli, to provide irrevocable joint liability guarantee of RMB200 million for Hongyuan Hengli. The above guarantees and amounts comply with the provisions under the Proposal Regarding the Provision of Guarantee for Hongyuan Hengli (Shanghai) Industrial Co., Ltd. (關於為宏源恒利（上海）實業有限公司提供擔保的議案). (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 February 23, 2021 and March 18, 2021 and on the HKExnews website of the Stock Exchange (www.hkexnews.hk) on February 22, 2021 and March 17, 2021)

(VI) Nomination of candidates for non-independent directors and independent directors of the fifth session of the board of directors and candidates for supervisors of the fifth session of the board of supervisors

On March 30, 2021, the Resolution Regarding the Nomination of Candidates for Non-independent Directors of the Fifth Session of the Board of Directors of the Company and the Resolution Regarding the Nomination of Candidates for Independent Directors of the Fifth Session of the Board of Directors of the Company were considered and approved at the 60th meeting of the fourth session of the board of directors, pursuant to which it was approved to nominate Mr. Chu Xiaoming, Mr. Yang Wenqing and Mr. Huang Hao as candidates for executive directors of the fifth session of the board of directors and nominate Ms. Ge Rongrong, Mr. Ren Xiaotao, Mr. Zhang Yigang and Mr. Zhu Zhilong as candidates for non-executive directors of the fifth session of the board of directors; and nominate Ms. Yeung Siuman Shirley, Mr. Wu Changqi, Mr. Chen Hanwen and Mr. Zhao Lei as candidates for independent non-executive directors of the fifth session of the board of directors. The abovementioned candidates are subject to consideration and election at the general meeting of the Company.

On March 30, 2021, the Resolution Regarding the Nomination of Candidates for Supervisors of the Fifth Session of the Board of Supervisors was considered and approved at the 36th meeting of the fourth session of the board of supervisors, pursuant to which it was approved to nominate Mr. Xu Yiyang, Ms. Chen Yan and Mr. Jiang Yang as candidates for supervisors of the fifth session of the board of supervisors, and it was submitted for consideration and election at the 2020 annual general meeting of the Company. Meanwhile, the trade union of the Company is proceeding with the election of employee representative supervisors of the fifth session of the board of supervisors. The elected employee representative supervisors and the supervisors elected at the 2020 annual general meeting will jointly compose the fifth session of the board of supervisors of the Company. (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 March 31, 2021 and on the HKExnews website of the Stock Exchange (www.hkexnews.hk) on March 30, 2021)

III. Undertakings

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

IV. Investments in Financial Assets

(I) Investments in securities

Unit: RMB'0,000

Security type	Security code	Security abbreviation	Initial investment cost	Accounting measurement model	Beginning book value	Gains or losses from changes in fair value during the period	Accumulated fair value changes included in equity	Amount purchased during the reporting period	Amount sold during the reporting period	Profit and loss during the reporting period	Closing book value	Accounting item	Sources of funds
Asset management scheme	113914	Rongtong Fund Shenwan Hongyuan Securities No. 1 Collective Asset Management Scheme	617,949.63	Fair value	623,035.03	10,921.39	–	380,000.00	70,876.22	11,805.18	943,080.21	Financial assets at fair value through profit or loss	Self-owned funds
Shares	600519	Kweichow Moutai	272,349.66	Fair value	4,395.60	-20,642.39	–	393,726.54	123,709.91	-27,397.97	253,769.85	Financial assets at fair value through profit or loss	Self-owned funds
Bonds	117125	19 Zhaoshang EB	239,096.25	Fair value	245,643.48	991.98	–	–	–	1,021.45	246,545.43	Financial assets at fair value through profit or loss	Self-owned funds
Asset management scheme	E1ZX01	CaidaYanshan Zhixuan FOF No. 1 Single Asset Management Scheme	216,263.56	Fair value	260,724.60	2,951.64	–	–	33,347.32	4,512.17	230,328.92	Financial assets at fair value through profit or loss	Self-owned funds
Funds	310339	SWS MU Currency B	263,185.44	Fair value	181,489.71	6.44	–	91,692.99	57,000.00	727.09	216,189.14	Financial assets at fair value through profit or loss	Self-owned funds
Shares	002415	Hik Vision	190,431.48	Fair value	216,166.75	-14,306.25	–	183,703.13	181,659.16	41,806.75	203,904.47	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	144,162.60	Fair value	172,375.19	2,595.14	–	15,625.00	40,445.65	3,856.98	150,149.67	Financial assets at fair value through profit or loss	Self-owned funds
Shares	002714	Muyuan Foods	135,545.63	Fair value	36,243.89	227.12	–	166,633.54	69,463.01	15,335.09	133,641.53	Financial assets at fair value through profit or loss	Self-owned funds
Bonds	117163	20 Zhaoguang EB	80,000.00	Fair value	140,982.36	-9,945.52	–	–	–	-9,945.52	131,036.84	Financial assets at fair value through profit or loss	Self-owned funds
Bonds	010007	01 Treasury Bonds 7	132,190.98	Fair value	130,276.52	-557.27	–	–	–	772.23	128,355.31	Financial assets at fair value through profit or loss	Self-owned funds
Other securities investments held at the end of the period			19,716,988.25	–	21,726,115.98	-87,816.27	61,656.74	50,998,943.51	51,349,993.78	122,428.52	21,363,397.06	–	–
Total			22,008,163.48	–	23,737,449.11	-115,573.99	61,656.74	52,230,324.71	51,926,495.05	164,921.97	24,000,398.43	–	–

(II) Investments in derivatives

1. Investments in derivatives

Risk analysis and description of control measures on derivative positions during the reporting period (including but not limited to market risks, liquidity risks, credit risks, operation risks and legal risks)	The subsidiaries of the Company have relevant business qualifications. Proprietary business on derivative products mainly involves in proprietary businesses such as arbitrage, hedging and speculation of stock index futures and treasury bond futures and broker OTC business. During the reporting period, the investment business in derivative products undertaken by the subsidiaries of the Company fully complied with the requirements on operation of China Securities Regulatory Commission, the Securities Association of China and China Financial Futures Exchange Co., Ltd. The Company has not breached any law or regulation during operation and the risks are under control. In order to ensure standardized operation of the proprietary business on derivatives and avoid business risks, the subsidiaries of the Company adopted rules and regulations such as relevant business administration measures as standards, followed business plans and commenced the business on the basis of analyzing and controlling of market risks, liquidity risks, credit risks, operation risks and legal risks.
The changes of market price of derivatives invested or the fair value of products during the reporting period. Specific usage and settings of relevant assumptions and parameters of the analysis on the fair value of derivatives shall be disclosed	As of the end of the reporting period, the gains or losses on the fair value change of AUTD were RMB179.7569 million; the gains or losses on the fair value change of interest rate swap were RMB71.7763 million; the gains or losses on the fair value change of other commodity futures were RMB46.8682 million; the gains or losses on the fair value change of stock index futures were RMB9.1826 million; and the gains or losses on the fair value change of treasury bond futures contract held were RMB-1.3175 million. Derivative financial instruments were initially recognized at fair value as at the execution date of derivatives transaction contract and subsequently measured at its fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value change of derivative financial instruments was directly credited into profit or loss. The fair value of ordinary derivative financial instruments was measured based on the valuation method generally adopted in the market. Observable data was mostly taken as the data of valuation models. The fair value of the complex structured derivative financial instruments was mainly sourced from quotations of dealers.
Description on whether the accounting policies and principles of audit on derivatives of the Company during the reporting period have any significant changes when compared with the previous reporting period	There was no change in the policies on derivatives and quotations were directly obtained from the market.

Independent directors' opinions on the Company's derivative investment and risk control	The subsidiaries of the Company have obtained relevant business qualifications and are eligible to commence relevant businesses. During the reporting period, the investment business in derivative products undertaken by the subsidiaries of the Company was fully complied with the requirements of the China Securities Regulatory Commission, 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 RMB159,482 million, representing 172.88% of the net assets of the Company as of the end of the reporting period; the value of equity derivative instrument contract held was RMB126,677 million, representing 137.32% of the net assets of the Company as of the end of the reporting period; the value of commodity derivative instrument contract held was RMB56,028 million, representing 60.74% of the net assets of the Company as of the end of the reporting period; the value of credit derivative instrument contract held was RMB360 million, representing 0.39% of the net assets of the Company as of the end of the reporting period. The investment in derivatives carried out by the subsidiaries of the Company is in line with relevant regulatory requirements and the risks are under control. Such business is 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

Operator of derivative investment	Related party relationship	Related party transaction	Type of derivative investment	Initial investment amount of derivative investment	Commencement date	Termination date	Investment amount at the beginning of period	Amount purchased during the reporting period	Amount sold during the reporting period	Amount of provision for impairment	Investment amount at the end of period	Proportion of investment at the end of period to net assets of the Company during the reporting period	Actual profit or losses during the reporting period
Open market	N/A	No	Interest rate derivative	13,529,726.12	2016/4/19	2026/4/1	13,529,726.12	8,493,388.29	6,074,879.66	–	15,948,234.75	172.88%	6,533.58
Banks, private equity funds, open market	N/A	No	Equity derivative instruments	14,074,366.16	2019/2/20	2023/12/18	14,074,366.16	10,941,539.60	12,348,239.28	–	12,667,666.48	137.32%	88,110.50
Open market, banks, trading companies, etc.	N/A	No	Commodity derivative instruments	4,183,695.41	2020/1/14	2022/3/23	4,183,695.41	6,446,882.88	5,027,778.56	–	5,602,799.73	60.74%	-17,006.98
OTC market	N/A	No	Credit derivative instruments	28,000.00	2020/12/2	2021/11/30	28,000.00	8,000.00	–	–	36,000.00	0.39%	41.92
Total:				**31,815,787.69**	**–**	**–**	**31,815,787.69**	**25,889,810.77**	**23,450,897.50**		**34,254,700.96**	**371.33%**	**77,679.02**

V. Progress of Proceeds Funded Projects

□ Applicable √ Not applicable

VI. Estimation on the Operating Results for January to June, 2021

Currently, Shenwan Hongyuan Group Co., Ltd. conducts its securities business through its subsidiary Shenwan Hongyuan Securities Co., Ltd. and the subsidiaries thereof Shenwan Hongyuan Securities (Western) Co., Ltd. and Shenwan Hongyuan Financing Services Co., Ltd. Since the securities business is to a larger extent affected by the market, it is therefore not possible to conduct an accurate estimation on the operating results of the Company for January to June, 2021. The Company will disclose such results pursuant to the regulations upon the completion of the second half of 2021.

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

□ Applicable √ Not applicable

VIII. Entrusted Wealth Management

□ Applicable √ Not applicable

IX. Information on Illegal External Guarantees

□ Applicable √ Not applicable

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

□ Applicable √ Not applicable

XI. Reception of activities such as research, communication and interview

Reception time	Reception location	Reception method	Type of reception participants	Reception participants	Main content discussed and information provided
April 7, 2021	—	Telephone/ Network	Institution	Analysts and investors invited to the Company's 2020 annual results presentation	Operations of the Company
April 8, 2021	—	Network	Individual/ Institution	Investors who attended the Company's 2020 annual results presentation	Operations of the Company

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

Section IV Financial Statements

I. Financial Statements

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

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

	The Group		The Company	
	March 31, 2021	December 31, 2020	**March 31, 2021**	December 31, 2020
Assets:				
Cash and bank balances	**106,888,704,169.42**	98,793,909,304.68	**4,156,608,640.91**	1,883,960,117.44
including: Cash held on behalf of brokerage clients	**75,623,058,319.42**	75,871,042,528.07	**—**	—
Clearing settlement funds	**19,641,302,411.11**	18,239,263,358.77	**—**	—
including: Cash held on behalf of brokerage clients	**11,370,805,671.20**	12,265,249,174.68	**—**	—
Margin accounts receivable	**73,900,936,836.54**	74,212,400,779.95	**—**	—
Derivative financial assets	**289,465,899.79**	1,650,557,818.88	**—**	—
Refundable deposits	**21,206,913,491.66**	18,347,661,263.26	**—**	—
Accounts receivable	**3,526,636,127.23**	3,088,616,075.67	**—**	—
Financial assets held under resale agreements	**22,470,532,237.30**	26,659,737,121.39	**—**	—
Financial investment:				
Financial assets at fair value through profit or loss	**181,516,395,213.81**	164,567,857,020.29	**11,038,662,471.92**	12,322,880,219.10
Financial assets measured at amortized cost	**5,238,322,635.94**	6,452,202,502.50	**1,817,005,205.03**	2,415,270,094.95
Debt securities at fair value through other comprehensive income	**49,851,743,854.12**	57,282,608,667.83	**—**	—
Equity securities not held for trading	**3,397,522,549.46**	9,071,822,889.58	**—**	—
Interest in subsidiaries and associates and joint ventures	**4,032,988,914.05**	4,706,513,720.78	**61,724,231,527.09**	56,684,785,054.65
Investment properties	**55,830,032.77**	56,951,445.70	**146,303,507.36**	149,666,023.76
Property and equipment	**1,121,584,606.67**	1,137,137,261.49	**336,099,085.31**	337,001,565.22
Construction in progress	**170,345,931.69**	158,151,922.44	**—**	—
Right-of-use assets	**868,175,559.71**	864,681,645.61	**—**	—
Intangible assets	**184,905,669.35**	187,902,853.38	**998,995.35**	1,186,522.74
Deferred tax assets	**2,185,497,788.19**	2,206,891,829.08	**220,337,782.96**	218,016,597.16
Other assets	**3,428,293,044.95**	3,439,408,238.95	**6,314,811,349.21**	9,512,604,291.37
Total assets	**499,976,096,973.76**	491,124,275,720.23	**85,755,058,565.14**	83,525,370,486.39
Liabilities:				
Short-term borrowings	**3,626,400,430.07**	4,346,935,041.21	**—**	—
Short-term debt instruments issued	**34,979,467,943.68**	40,505,069,024.09	**—**	—
Placements from banks and other financial institutions	**4,391,360,882.68**	4,430,000,000.00	**—**	—
Financial liabilities at fair value through profit or loss	**3,650,159,014.09**	3,451,936,529.57	**—**	—
Derivative financial liabilities	**1,911,682,655.78**	2,221,290,853.65	**—**	—
Financial assets sold under repurchase agreements	**110,502,495,186.40**	103,314,546,514.10	**—**	—
Accounts payable to brokerage clients	**95,722,247,788.44**	97,535,040,412.63	**—**	—
Amounts payable to underwriting clients	**—**	473,250,054.25	**—**	—
Employee benefits payable	**5,699,385,882.48**	5,178,621,005.17	**116,793,818.08**	110,492,020.89
Tax liabilities	**1,314,003,090.34**	1,578,916,592.47	**5,957,980.63**	15,293,677.90
Estimated liabilities	**146,788.99**	—	**—**	—
Accounts payable	**5,302,298,530.50**	6,271,590,506.64	**1,859,389.58**	1,851,601.60
Long-term bonds	**127,548,141,789.56**	118,167,945,322.39	**27,153,256,069.71**	24,945,686,011.86
Lease liabilities	**877,373,914.47**	862,819,522.87	**—**	—
Deferred tax liabilities	**6,511,967.82**	2,148,084.31	**—**	—
Contract liabilities	**188,168,546.66**	141,790,852.68	**—**	—
Other liabilities	**12,005,577,425.93**	12,551,785,946.06	**31,789,334.00**	2,244,777.49
Total liabilities	**407,725,421,837.89**	401,033,686,262.09	**27,309,656,592.00**	25,075,568,089.74
Shareholders' equity:				
Share capital	**25,039,944,560.00**	25,039,944,560.00	**25,039,944,560.00**	25,039,944,560.00
Capital reserve	**19,367,146,136.46**	19,367,146,136.46	**23,811,448,219.46**	23,811,448,219.46
Other comprehensive income	**-1,283,006,417.73**	-930,712,658.95	**—**	—
Surplus reserve	**3,563,550,860.40**	3,563,550,860.40	**2,973,079,257.97**	2,973,079,257.97
General reserve	**14,259,011,977.56**	14,240,706,517.92	**3,849,860,528.88**	3,849,860,528.88
Retained profits	**29,596,886,295.61**	27,183,981,098.98	**2,771,069,406.83**	2,775,469,830.34
Total equity attributable to shareholders of the Company	**90,543,533,412.30**	88,464,616,514.81	**58,445,401,973.14**	58,449,802,396.65
Non-controlling interests	**1,707,141,723.57**	1,625,972,943.33	**—**	—
Total shareholders' equity	**92,250,675,135.87**	90,090,589,458.14	**58,445,401,973.14**	58,449,802,396.65
Total liabilities and shareholders' equity	**499,976,096,973.76**	491,124,275,720.23	**85,755,058,565.14**	83,525,370,486.39

Legal representative of the Company:	Person in charge of the accounting affairs of the Company:	Person in charge of the accounting department:
Huang Hao	Ren Quansheng	Zhang Yan

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

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

	The Group		**The Company**	
	January–March 2021	January–March 2020	**January–March 2021**	January–March 2020
I. Operating income	**8,650,533,658.09**	7,697,085,479.74	**28,031,514.73**	-8,987,284.23
Net income from fee and commission	**1,996,315,055.27**	1,787,945,535.90	**45,360.56**	—
Including: Net income from brokerage business	**1,302,639,408.29**	1,289,545,785.24	**—**	—
Net income from investment banking business	**353,907,147.40**	192,865,159.61	**—**	—
Net income from asset management and fund management business	**316,474,097.81**	287,963,153.75	**—**	—
Net interest income ("-" for losses)	**600,494,453.51**	845,463,362.91	**-160,335,592.22**	-75,718,282.07
Including: Interest income	**2,906,137,374.42**	2,788,926,188.94	**91,298,616.57**	185,116,013.87
Interest expenses	**2,305,642,920.91**	1,943,462,826.03	**251,634,208.79**	260,834,295.94
Other revenue	**41,131,169.33**	23,599,051.26	**346,134.29**	—
Investment gains	**2,112,538,279.30**	981,616,169.19	**193,115,288.73**	50,032,095.37
Including: Income from investment in associates and joint ventures	**171,857,346.37**	94,201,148.63	**34,396,472.44**	4,237,371.34
Gains from changes in fair value ("-" for losses)	**351,271,479.05**	707,912,262.85	**-24,747,971.74**	-30,048,520.67
Gains from asset disposals	**1,633,245.52**	—	**—**	—
Foreign exchange gains	**8,111,505.30**	28,791,053.24	**6,438,500.03**	34,244,491.25
Other business income	**3,539,038,470.81**	3,321,758,044.39	**13,169,795.08**	12,502,931.89
II. Operating expenses	**5,699,567,126.04**	5,228,721,728.28	**34,755,194.04**	27,350,191.55
Tax and surcharges	**38,998,463.68**	31,805,950.45	**1,700,754.37**	1,481,825.62
General and administrative expenses	**2,208,918,950.20**	1,818,402,293.05	**31,322,081.18**	28,831,421.78
Credit impairment loss	**96,436,446.98**	34,817,713.33	**-86,568.21**	-4,857,404.76
Provision for other assets impairment	**-6,209,678.51**	244,787,656.77	**—**	—
Other business costs	**3,361,422,943.69**	3,098,908,114.68	**1,818,926.70**	1,894,348.91
III. Operating profit ("-" for losses)	**2,950,966,532.05**	2,468,363,751.46	**-6,723,679.31**	-36,337,475.78
Add: Non-operating income	**138,510.04**	402,388.71	**2,070.00**	—
Less: Non-operating expenses	**2,646,476.45**	3,629,695.18	**—**	—
IV. Total profit ("-" for total losses)	**2,948,458,565.64**	2,465,136,444.99	**-6,721,609.31**	-36,337,475.78
Less: Income tax expense	**496,271,159.06**	465,980,611.26	**-2,321,185.80**	-10,131,406.46
V. Net profit ("-" for net losses)	**2,452,187,406.58**	1,999,155,833.73	**-4,400,423.51**	-26,206,069.32
(I) Net profit classified by continuity of operations:				
1. Net profit from continuing operations ("-" for net losses)	**2,452,187,406.58**	1,999,155,833.73	**-4,400,423.51**	-26,206,069.32
2. Net profit from discontinued operations ("-" for net losses)	**—**	—	**—**	—
(II) Net profit classified by ownership:				
1. Shareholders of the Company ("-" for net losses)	**2,431,210,656.27**	1,987,384,589.49	**-4,400,423.51**	-26,206,069.32
2. Non-controlling interests	**20,976,750.31**	11,771,244.24	**—**	—

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

	The Group		The Company	
	January–March 2021	January–March 2020	**January–March 2021**	January–March 2020
VI. Other comprehensive income, net of tax	**-347,333,762.44**	-302,932,723.27	**—**	—
Other comprehensive income (net of tax) attributable to shareholders of the Company	**-352,293,758.78**	-327,133,777.38	**—**	—
(I) Items that will not be reclassified to profit or loss	**-430,193,823.13**	-459,031,878.95	**—**	—
1. Changes in fair value of equity securities not held for trading	**-430,193,823.13**	-459,031,878.95	**—**	—
(II) Items that may be reclassified to profit or loss	**77,900,064.35**	131,898,101.57	**—**	—
1. Other comprehensive income that can be transferred to profit or loss under the equity method	**322,303.85**	-7,312,896.98	**—**	—
2. Changes in fair value of debt securities at fair value through other comprehensive income	**-32,231,735.67**	79,221,025.33	**—**	—
3. Credit impairment provisions of debt securities at fair value through other comprehensive income	**98,422,786.23**	5,454,124.00	**—**	—
4. Exchange differences on translation of financial statements in foreign currencies	**11,386,709.94**	54,535,849.22	**—**	—
Other comprehensive income (net of tax) attributable to non-controlling interests	**4,959,996.34**	24,201,054.11	**—**	—
VII. Total comprehensive income	**2,104,853,644.14**	1,696,223,110.46	**-4,400,423.51**	-26,206,069.32
Attributable to: Shareholders of the Company	**2,078,916,897.49**	1,660,250,812.11	**-4,400,423.51**	-26,206,069.32
Non-controlling interests	**25,936,746.65**	35,972,298.35	**—**	—
VIII. Earnings per share:				
(I) Basic earnings per share	**0.10**	0.08		
(II) Diluted earnings per share	**0.10**	0.08		

Legal representative of the Company: Huang Hao

Person in charge of the accounting affairs of the Company: Ren Quansheng

Person in charge of the accounting department: Zhang Yan

3. Consolidated and the Company's statements of cash flow for the reporting period

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

Items	**The Group**		**The Company**	
	January–March 2021	January–March 2020	**January–March 2021**	January–March 2020
I. Cashflow from operating activities:				
Decrease in financial instruments at fair value through profit or loss	**—**	5,144,357,394.62	**1,464,760,952.82**	—
Proceeds from interest income, fee and commission income	**3,803,975,422.45**	4,419,538,756.43	**4,795,056.77**	128,573,734.29
Increase in placements from other financial institutions	**—**	621,044,412.98	**—**	—
Increase in repurchases businesses	**11,217,524,370.96**	6,379,054,046.64	**—**	—
Net cash received from agency securities trading business	**—**	10,631,649,632.88	**—**	—
Proceeds from other operating activities	**1,404,289,572.78**	1,263,115,619.72	**49,732,652.65**	51,170,721.95
Sub-total of cash inflow from operating activities	**16,425,789,366.19**	28,458,759,863.27	**1,519,288,662.24**	179,744,456.24
Increase in financial instruments at fair value through profit or loss	**14,156,131,318.95**	—	**—**	719,392,928.87
Increase in margin accounts receivable	**175,114,575.80**	3,374,730,583.81	**—**	—
Decrease in placements from other financial institutions	**45,136,800.00**	—	**—**	—
Net cash paid to brokerage clients	**1,828,765,449.53**	—	**—**	—
Payment for interest expenses, fee and commission expenses	**1,250,359,442.44**	1,148,054,895.82	**—**	11,887,291.67
Payment of employee benefits	**1,124,348,997.41**	1,037,742,439.41	**23,652,825.02**	26,728,311.88
Payment of various taxes	**968,745,080.35**	842,613,627.03	**20,268,484.86**	60,519,997.24
Payment for other operating activities	**2,308,898,439.64**	2,417,264,313.74	**6,888,022.37**	2,378,839.70
Sub-total of cash outflow from operating activities	**21,857,500,104.12**	8,820,405,859.81	**50,809,332.25**	820,907,369.36
Net cash generated from operating activities	**-5,431,710,737.93**	19,638,354,003.46	**1,468,479,329.99**	-641,162,913.12
II. Cashflow from investing activities:				
Proceeds from disposal of investments	**12,783,815,117.19**	—	**5,600,000,000.00**	144,499,999.98
Investment returns received	**1,123,183,451.36**	550,311,837.58	**86,582,285.03**	93,459,602.84
Cash paid for disposal of fixed assets, intangible assets and other long-term assets	**98,534,696.46**	6,975,743.76	**—**	—
Proceeds from other investing activities	**—**	28,293,575.30	**—**	28,293,575.30
Sub-total of cash inflow from investing activities	**14,005,533,265.01**	585,581,156.64	**5,686,582,285.03**	266,253,178.12
Payment for acquisition of investments	**—**	13,116,541,264.51	**6,845,050,000.00**	—
Payment for acquisition of fixed assets, intangible assets and other long-term assets	**154,219,753.73**	47,559,497.03	**1,198,398.11**	361,190.12
Sub-total of cash outflow from investing activities	**154,219,753.73**	13,164,100,761.54	**6,846,248,398.11**	361,190.12
Net cash generated from investing activities	**13,851,313,511.28**	-12,578,519,604.90	**-1,159,666,113.08**	265,891,988.00

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

Items	The Group		The Company	
	January–March 2021	January–March 2020	**January–March 2021**	January–March 2020
III. Cashflow from financing activities:				
Proceeds from loans and borrowings	**2,844,801,171.01**	1,084,315,133.87	**—**	—
Proceeds from issuance of bonds and debt instruments	**31,367,050,060.00**	23,223,843,000.00	**1,997,600,000.00**	—
Sub-total of cash inflow from financing activities	**34,211,851,231.01**	24,308,158,133.87	**1,997,600,000.00**	—
Loans, bonds and debt instruments repaid	**30,949,751,868.62**	19,243,671,606.75	**—**	—
Dividends and interest for loans, bonds and debt instruments paid	**1,408,428,567.21**	931,427,786.61	**41,800,000.00**	45,988,493.15
Including: dividends and profit paid to non-controlling interests	**—**	—	**—**	—
Payment for lease liabilities	**108,003,500.12**	114,194,037.29	**—**	—
Payment for other financing activities	**—**	5,880,000.00	**—**	—
Sub-total of cash outflow from financing activities	**32,466,183,935.95**	20,295,173,430.65	**41,800,000.00**	45,988,493.15
Net cash generated from financing activities	**1,745,667,295.06**	4,012,984,703.22	**1,955,800,000.00**	-45,988,493.15
IV. Effect of foreign exchange differences	**8,107,234.55**	29,161,211.72	**6,434,229.28**	34,614,652.64
V. Net increase in cash and cash equivalents	**10,173,377,302.96**	11,101,980,313.50	**2,271,047,446.19**	-386,644,765.63
Add: Cash and cash equivalents at the beginning of the period	**123,198,978,108.43**	107,590,413,620.82	**1,883,758,978.74**	7,314,239,188.35
VI. Cash and cash equivalents at the end of the period	**133,372,355,411.39**	118,692,393,934.32	**4,154,806,424.93**	6,927,594,422.72

Legal representative of the Company: Huang Hao

Person in charge of the accounting affairs of the Company: Ren Quansheng

Person in charge of the accounting department: Zhang Yan

II. Explanation on Adjustments to the Financial Statements

1. Adjustment to relevant items in the financial statements at the beginning of the year in which the new standards on lease are initially implemented since 2021

   □ Applicable √Not applicable

2. Retrospective adjustments to comparative figures for the previous period due to the initial implementation of the new standards on lease since 2021

   □ Applicable √Not applicable

III. Audit Report

Whether the first quarterly report is audited

□ Yes √ No

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

April 29, 2021