Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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, 2022

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, 2022. This results announcement, containing the full text of the 2022 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, 2022 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 2022 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.
Liu Jian
Chairman

Beijing, PRC
30 March 2023

As at the date of this announcement, the Board comprises Mr. Liu Jian and Mr. Huang Hao as executive directors; Mr. Ren Xiaotao, Mr. Zhang Yigang, Mr. Zhu Zhilong, Ms. Zhang Ying and Mr. Shao Yalou as non-executive directors; Ms. Yeung Siuman Shirley, Mr. Wu Changqi, Mr. Chen Hanwen and Mr. Zhao Lei as independent non-executive directors.

Chairman's Statement

Secretary of the Party committee, Chairman

Mr. Liu Jian

Dear shareholders,

On behalf of the Board of Directors of the Company, I am pleased to present the 2022 Annual Report of Shenwan Hongyuan to you and express my sincere gratitude to all stakeholders who have long cared about and supported the reform and development of the Company.

2022 was a year to look back on history and pure original heart, and also a year to plan for the future and move forward with determination. The 20th National Congress of the Communist Party of China was held successfully, and the capital market entered into the historical process of comprehensive registration system. Looking back, in 2022, more than 10,000 cadres and employees of Shenwan Hongyuan unswervingly followed the path of financial development with Chinese characteristics, remained determined to overcome difficulties, united and concentrated efforts to deal with complex and severe situations and challenges. They cooperated with millions of enterprises, institutions and individual customers to anchor the Group's development blueprint for the "14th Five-Year" period, thereby achieving steady improvement in quality.

Stick to original intention to serve entities, consolidate the foundation of main businesses, and provide high-quality financial support for Chinese-style modernization. We firmly regarded main businesses and responsibilities as the important foundation and primary task of serving national strategies, constantly improved the comprehensive financial service system, enhanced the ability of finance to serve the real economic, and actively contributed financial forces to the construction of modern industrial system, regional coordinated development, green development, rural revitalization, inclusive finance and other fields. We earnestly implemented the new development

concept in our operations, strengthened ESG management, actively paid attention to green development, sustainable development, public interest and other issues, and always implemented various national requirements on environmental protection and sustainable development. We helped rural revitalization by investing RMB54.96 million in public welfare undertakings throughout the year, consolidated and expanded the achievements of financial poverty alleviation such as the "Huining Program" and "comprehensive insurance of anti-poverty", and strived to achieve economic, political and social benefits.

Firmly adhere to the strategy and benchmarking the first-class, continued innovation gene, and forged core strength of high-quality development. We adhered to the financial support innovation, prospectively developed innovative financial services, products and technology, and strengthened our own characteristic businesses and advantageous businesses. For institutional sales transactions, we adhered to the development orientation of "supporting asset-light business with asset-heavy business" and continuously improved the investment research system, risk control system, information system and investment decision mechanism. For equity and bond investment transactions, we optimized asset allocation strategies and effectively controlled risks. The innovation of cross trade has taken effect, the equity OTC options business has maintained its advantages, and cross-border and quantitative neutral investment has achieved leapfrog development. We ranked among the top five in the industry in terms of the size of bond advisory business. We have cultivated the commodity business intensively and obtained the qualification of proprietary participation in carbon emission rights. We insisted on the strategic and fundamental supporting role of financial technology, fully accelerated the digital transformation, accelerated the breakthrough in construction of enterprise-level architecture, improved the functions of independent intellectual property APP, and drove business innovation with financial technology.

Uphold the bottom line, adjust the structure, practice the long-term principle, so as to lay a solid foundation for high-quality development. Under the impact of multiple unexpected factors, the Company adhered to the long-term principle of seeking progress while maintaining stability, adhered to the original aspiration of high-quality comprehensive financial services, and promoted business transformation and structural adjustment in an unaggressive and resolute manner. Even though there was a certain fluctuation of performance during the period, the foundation and basic capabilities of long-term development, such as corporate governance, management mechanism, business philosophy and capital utilization, have not changed, value creation, market position, risk control, capital constraints and other objectives continued to be balanced. Over the previous year, the Company has obtained the first place in the investment banking practice quality evaluation of the Securities Association and the practice quality evaluation of the securities companies of the Beijing Stock Exchange. It was the 30th anniversary of the establishment of SWS Research, which has trained more than 1,000 industry talents, and the "Outstanding Contribution Award for the Securities Research Industry" granted by the New Wealth could prove that the persistence and inheritance of a generation of Chinese securities research pioneers. The Company has accelerated breakthroughs in the new account opening market share of wealth management, product retention scale, institutional business commission income, ranking of major investment bank business and active management scale of asset management, and formed a new pattern of coordinated development of light and heavy capital businesses.

Deeply improve client retention, refine management, aggregate collaborative advantages and form a high-quality development business feature. The Company adhered to "one Shenwan Hongyuan", deepened the synergy and linkage of "group + securities" as well as "research + investment + investment banking", continuously developed comparable advantages with integrated customer management, built a comprehensive financial service system for the

whole life cycle, and deeply served core customers and core assets. In the past year, guided by the key regional work committee, the Company has held strategic cooperation with more than 300 institutions, peers and industries. The forward-looking layout and resource investment in key areas have taken effect, and the ecological landscape of win-win cooperation has been growing. The Company constantly optimized the procedures of system and mechanism, built integrated information channels and other infrastructure, promoted the selection of talents for both of the Group and securities companies, improved the construction of various flexible organizations, deeply promoted the synergy and integration between the headquarter and head office, and headquarter and branches, gradually built an open and inclusive service ecosystem for corporate customers, institutional customers and retail customers, and continuously consolidated the foundation of the value creation of customer services.

Cultivate culture and mechanism empowerment, adhere to modern governance, and create the endogenous impetus for high-quality development. The Company adhered to the modern governance of state-owned financial enterprises with Chinese characteristics, strengthened the leadership of the Party in improving corporate governance, gave full play to the role of the Party Committee in "guiding the direction, controlling the overall situation and procuring the implementation", and constantly transformed the advantages of state-owned party building into competitive advantages, innovation advantages and development advantages of the Company. The Company deeply integrated the industry culture concept of "compliance, integrity, professionalism and soundness" with corporate governance, development strategies, development mode and code of conduct, cultivated people with culture, agglomerated people with values, and created an excellent culture as a state-owned financial enterprise with Shenwan Hongyuan characteristics. The evaluation results of the cultural construction practice of the Securities Association of China have been upgraded to Level A of Class A. The Company deeply integrated the requirements of "standardization, transparency, openness, vitality and resilience" into the strategy, built a coordinated and regulated operation layout between the Company and the securities company, and obtained the "Class A" of evaluation results in the information disclosure evaluation of the Shenzhen Stock Exchange for seven consecutive years, providing guarantee for the Company to focus on its main businesses, sound operation and value creation, and the Company proactively summarized and promoted the best practices of corporate governance, and won many honors in the "Best Practice" series of the China Association of Public Companies.

As the pioneer of the securities industry in the new China, Shenwan Hongyuan has spanned more than 30 years of wind and rain; has witnessed the magnificent progress of making something from nothing and getting big from small of the capital market in China; has experienced major battles such as reorganization and merger, business integration, and listing in two places; with the support and help of shareholders and the community, the Company has overcome many difficulties and challenges, formed its stable and quality development trend, and accumulated valuable inspirations for corporate development.

Strive for the "greatness of the nation" so as to make great achievements. Securities companies are the most important intermediaries in the capital market. We will always bear in mind the political and popular nature of our financial work, and will remain steadfast in our original intention of providing high standard intermediary services to the real economy and the general public. We will focus on our main business, improve our profession, and provide customers with financial products that meet different risk and return preferences and are competitive in the market. We will act proactively in the historical opportunity of the comprehensive registration system reform, enhance the quality and effectiveness of our own development in the process of enhancing our ability to serve the national strategy, and serve the overall improvement of economic operation in the process of strengthening and expanding the main business of modern investment banking.

Through reforms and hard work to achieve leaps and catch-ups. The 20th Party Congress and the Central Economic Work Conference have unveiled to the whole society the clear confidence of high-quality development. With a sense of mission and urgency to "fighting the hardest", we will push forward the professionalization and market-oriented reform, improve our concept, organization and capacity to match the full registration system. We will accelerate the transformation to a customer-centric integrated financial service model across the entire business chain, and strive to achieve breakthroughs in key areas of reform such as business synergy mechanisms, market-based incentives and constraints, and agile organization building. We will increase the empowerment of IT technology to our advantageous and key businesses, businesses with high customer experience, leading technology and basic management. We also will use corporate governance as a hand to promote management synergy and overall operation, and will focus on enhancing the Company's development momentum towards first-class and excellent services.

Maintain strategic stamina so as to achieve the resilient development. In an era of change and uncertainty, we will maintain our determination to "draw a blueprint to the end" and keep our focus on the development direction of integrating light and heavy capital and double-wheel drive. We will increase our investment in the basic businesses of wealth management, investment banking, asset management and institutional services, to achieve long-term returns. We will consolidate the quality of development, promote the matching of light and heavy capital investments, improve performance, balance the structure, and continue to improve the level of stable returns on capital. We will guard the bottom line of risk and compliance, and empower our business with comprehensive risk management, so as to protect the interests of customers, financial security and social stability in our stable operation.

Insist on casting the soul with culture so as to gather strength. The securities industry is characterized by high competition, high professionalism and high reliance on talents. With corporate culture as the most important core competitiveness, we will give full play to the leading role of party building and cultural construction. We will insist on the principle of recruiting talents from all over the world with virtue and talent, and with virtue as the first priority. We also will establish a strong sense of practicality and performance-oriented, to stimulate the organization's endogenous power and team vitality.

The drums are beating and the tide of spring is swelling. A thousand sails are competing for the first one. Looking ahead to the new year, we will adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics in the New Era, fully utilize our intermediary function and professional comparative advantages, actively serve and integrate into the new development pattern, continue to work hard towards the goal of building a first-class integrated financial service provider, and strive to make better achievements that are worthy of the times, the country, the people, the customers and the shareholders. We will demonstrate and implement the primary task of Chinese modernization construction with practical work and results, and make a new chapter in the process of financial support for high-quality development!

Shenwan Hongyuan Group Co., Ltd.
Shenwan Hongyuan Securities Co., Ltd.
Secretary of the Party committee, Chairman
Mr. Liu Jian

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 17th meeting of the fifth 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 financial report for 2022 prepared by the Company in accordance with the International Financial Reporting Standards has been audited by PricewaterhouseCoopers, 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 17th meeting of the fifth session of the Board, the profit distribution proposal of the Company for 2022 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, 2022, a cash dividend of RMB0.30 (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 RMB751,198,336.80. The retained profits of the Company of RMB2,127,580,423.44 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 2022 annual general meeting of the Company.

   If there is any change in the total share capital of the Company during the period from the date of disclosure of the profit distribution proposal to the record date for the implementation of the equity distribution, the Company intends to maintain the total distribution amount unchanged and adjust the distribution ratio per share accordingly.

   (This proposal is subject to the 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 Company has described details of the possibly existing risks including market risk, credit risk, liquidity risk, operational risk, policy risk, legal and compliance risk and risk of innovative products/businesses, etc. in this report. Investors are advised to read the "Report of the Board" as set out in section III of this annual report carefully and pay special attention to the above-mentioned risk factors.

8. The audit committee of the Board of the Company has reviewed the annual results of the Company for 2022.

9. This annual report of the Company is prepared in both Chinese and English. In the event of any discrepancy, the Chinese version should prevail.

10. The Company did not have any preferred shares during the Reporting Period.

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Section I Important Notice and Definitions

DOCUMENTS AVAILABLE FOR INSPECTION

1. Financial statements affixed with the signatures and stamps of the person in charge of the Company, the person in charge of the accounting work, the person in charge of the accounting organization (accounting supervisor).

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 during the Reporting Period.

4. Annual reports published in other securities markets.

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)
"Beijing Stock Exchange"	Beijing Stock Exchange
"Board" or "Board of Directors"	the board of directors of the Company
"Board of Supervisors"	the board of supervisors of the Company
"CDX contract(s)"	portfolio credit protection contract(s)
"CG Code"	the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules
"ChiNext Board of the Shenzhen Stock Exchange"	the growth enterprise board launched by the Shenzhen Stock Exchange
"Company Law"	the Company Law of the People's Republic of China (中華人民共和國公司法)
"Company" or "Shenwan Hongyuan Group"	Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司)
"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
"ESG"	environmental, social and corporate governance
"ETF(s)"	exchange-traded fund(s)
"FICC"	fixed income, currencies and commodities

Term	Definition
"FOF", "Parent Fund"	a fund which specially invests in other securities investment funds
"FRB"	the Federal Reserve Board
"Fullgoal Fund"	Fullgoal Fund Co., Ltd. (富國基金有限責任公司)
"GDR"	global depository receipt
"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"	the Hong Kong Special Administrative Region of the PRC
"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)
"IPO"	initial public offering
"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

Term	Definition
"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
"PB System"	prime brokerage system
"PE"	private equity investment
"Pre-IPO"	direct equity investment in companies before listing or expected to be listed
"QDLP"	qualified domestic limited partner
"REITs"	real estate investment trust
"Reporting Period"	from January 1, 2022 to December 31, 2022
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Securities and Futures Ordinance"	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)

Term	Definition
"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)
"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
"TMT"	technology, media and telecommunication
"US dollar" or "USD"	United States dollars, the lawful currency of the United States
"VaR"	value at risk
"VC"	venture capital
"Wind"	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
"Zhengzhou Commodity Exchange"	Zhengzhou Commodity Exchange
"%"	percent

In the 2022 annual report, any discrepancies between the total shown and the sum of the amounts listed are due to rounding.

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. Liu Jian, Mr. Xu Liang
Joint company secretaries	Mr. Xu Liang, Mr. Wong Wai Chiu
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
Historical changes in the registered address of the Company	The registered address has not changed since the listing of the Company in January 2015
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 RMB81,060,968,340.25

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 information	China Securities Journal, Securities Times, Shanghai Securities News
Website of stock exchange for disclosure of the A Share annual report of the Company	Shenzhen Stock Exchange: www.szse.cn
Name and website of media for disclosure of the A Share annual report of the Company	Cninfo website: www.cninfo.com.cn
Website of stock exchange for disclosure of the H Share annual report of the Company	HKExnews: 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

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

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.

The Company's principal business has not changed since its listing.

V. 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 Qualification of bond pledge-style quoted repo 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 general 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 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 Qualification of pilot equity incentive exercising financing business of Shenzhen Stock Exchange
71 Qualification of spot bond market maker in the inter-bank bond market
72 Qualification for special unit customers to participate in physical delivery of the Shanghai Futures Exchange
73 Qualification for special unit customers to participate in physical delivery of Shanghai International Energy Exchange
74 Qualification of main market maker of the Shanghai and Shenzhen 300ETF options of the Shenzhen Stock Exchange
75 Qualification of market maker of gold option of the Shanghai Futures Exchange

76 Qualification of market maker of crude oil option of Shanghai International Energy Exchange
77 Qualification of market maker of soybean meal futures of Dalian Commodity Exchange
78 Qualification of market maker of soybean oil futures of Dalian Commodity Exchange
79 Qualification of market maker of polyvinyl chloride futures of Dalian Commodity Exchange
80 Qualification of market maker of polyethylene futures of Dalian Commodity Exchange
81 Qualification of market maker of palm oil futures of Dalian Commodity Exchange
82 Clearing membership of the Interbank Market Clearing House
83 Qualification of class A clearing participant of China Securities Depository and Clearing Company Limited
84 Membership of China Bill Trading System
85 Membership of Shanghai Stock Exchange
86 Membership of Shenzhen Stock Exchange
87 Membership certificate of the Asset Management Association of China
88 Membership of National Debt Association of China
89 Membership of Shanghai Securities Association
90 Membership of Securities Association of China
91 Membership of China Securities Investor Protection Fund
92 Membership of Insurance Asset Management Industry of China
93 Membership of China Futures Association
94 Membership certificate of the National Internet Finance Association of China
95 Membership of Beijing Stock Exchange
96 Qualification for personal pension marketing agent
97 Qualification of fund market maker of the Shanghai Stock Exchange
98 Qualification of fund market maker of the Shenzhen Stock Exchange
99 Qualification of listed securities market maker
100 Qualification for market making lending business on the STAR Market
101 Qualification of main market maker of CSI 500 ETF options of the Shanghai Stock Exchange
102 Qualification of core dealer of CDX contracts of the Shanghai Stock Exchange
103 Qualification of main market maker of ChiNext Board ETF options of the Shenzhen Stock Exchange
104 Qualification of main market maker of CSI 500 ETF options of the Shenzhen Stock Exchange
105 Qualification of main market maker of SZSE 100ETF options of the Shenzhen Stock Exchange
106 Qualification of core dealer of CDX contracts of the Shenzhen Stock Exchange
107 Qualification of main market maker of SSE 50 stock index options of the China Financial Futures Exchange
108 Qualification of main market maker of CSI 1000 stock index options of the China Financial Futures Exchange
109 Qualification of main market maker of industrial silicon options of the Guangzhou Futures Exchange
110 Qualification of main market maker of aluminum options of the Shanghai Futures Exchange,
111 Qualification of self-operated clearing house for commodity exchange of the Shanghai Futures Exchange
112 Qualification of main market maker of cotton options of the Zhengzhou Commodity Exchange
113 Qualification of main market maker of rapeseed options of the Zhengzhou Commodity Exchange
114 Qualification of general market maker of sugar options of the Zhengzhou Commodity Exchange
115 Qualification of main market maker of PTA futures of the Zhengzhou Commodity Exchange
116 Qualification of main market maker of peanut options of the Zhengzhou Commodity Exchange
117 Qualification of main market maker of rapeseed oil options of the Zhengzhou Commodity Exchange
118 Qualification of main market maker of soybean II options of the Dalian Commodity Exchange
119 Qualification of main market maker of iron ore futures of the Dalian Commodity Exchange

VI. 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 Co., Ltd., formerly Xinjiang Hongyuan Trust and Investment Co., Ltd., was established in 1993 by public subscription. Approved by the 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 the CSRC, the company was reorganized into Hong Yuan Securities Co., Ltd.

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 Hong Yuan Securities as a wholly-owned securities subsidiary by absorbing all securities assets and liabilities after the merger of Hong Yuan Securities. On the same day, Shenwan Hong Yuan Securities 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 Non-public Issuance of Shares by Shenwan Hongyuan Group Co., Ltd." (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 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.

VII. OTHER RELEVANT INFORMATION

(I) Auditors engaged by the Company

Auditor in PRC	PricewaterhouseCoopers Zhong Tian LLP
Office address of auditor in PRC	11/F, PricewaterhouseCoopers Center, Link Square 2, 202 Hu Bin Road, Huangpu District, Shanghai
Name of signing accountants	Yip Siu Foon, Linda Shan Feng
International auditor	PricewaterhouseCoopers
Office address of international auditor	22/F, Prince's Building, 5 Ice House Street, Central, Hong Kong
Name of signing accountant	Yip Siu Foon, Linda

(II) Legal Advisor

Domestic legal advisor	Alliance J&S Law Firm Room 1910, Tower 2, Guanghua Chang'an Building, No. 7 Jianguomen Inner Street, Dong Cheng District, Beijing
Hong Kong legal advisor	Clifford Chance 27/F, Jardine House, One Connaught Place, 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

VIII. 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.

Key accounting data and financial indicators

Unit: Thousand Yuan Currency: RMB

Items	2022	2021	Increase/decrease as compared with the last year (%)	2020
Total revenue and other income	31,575,693	46,171,470	-31.61	39,156,373
Profit before income tax	3,049,963	11,079,122	-72.47	9,348,467
Profit for the year attributable to shareholders of the Company	2,789,068	9,398,369	-70.32	7,766,175
Net cash generated from/(used in) operating activities	31,464,684	-38,462,248	N/A	-34,741,199
Basic earnings per share (in RMB per share)	0.11	0.38	-71.05	0.31
Weighted average return on equity (%)	2.93	10.26	Decreased by 7.33 percentage points	9.05

Unit: Thousand Yuan Currency: RMB

Items	End of 2022	End of 2021	Increase/decrease as compared with the end of last year (%)	End of 2020
Total assets	**613,117,025**	601,011,467	2.01	491,124,277
Total liabilities	**496,437,332**	493,956,873	0.50	401,033,687
Total equity attributable to shareholders of the Company	**95,044,944**	95,222,008	-0.19	88,464,617
Share capital	**25,039,945**	25,039,945	–	25,039,945
Equity per share attributable to shareholders of the Company (in RMB per share)	**3.80**	3.80	–	3.53
Gearing ratio (%) Note	**77.25**	78.43	Decreased by 1.18 percentage points	77.08

Note: Gearing ratio = (Total liabilities – Accounts payable to brokerage clients-Proceeds from underwriting securities received on behalf of customers)/(Total assets – Accounts payable to brokerage clients-Proceeds from underwriting securities received on behalf of customers)*100%

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

In terms of net profits for the year and net profits for the year attributable to the shareholders of the Company for 2022 and 2021, and total equity and total equity attributable to shareholders of the Company as of December 31, 2022 and December 31, 2021, there's no difference between the data set out in the financial statements disclosed by the Company prepared in accordance with International Financial Reporting Standards and that prepared in accordance with China Accounting Standards for Business Enterprises.

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

Unit: Thousand Yuan Currency: RMB

Items	End of 2022	End of 2021	Increase/decrease as compared with the end of last year
Core net capital	**55,160,968.34**	62,373,396.23	-11.56%
Supplementary net capital	**25,900,000.00**	20,760,000.00	24.76%
Net capital	**81,060,968.34**	83,133,396.23	-2.49%
Net assets	**107,442,413.76**	98,220,020.33	9.39%
Total risk capital reserves	**31,504,006.82**	40,148,468.92	-21.53%
Total on-balance sheet & off-balance sheet assets	**520,295,445.55**	481,426,172.38	8.07%
Risk coverage ratio	**257.30%**	207.06%	Increased by 50.24 percentage points
Capital leverage ratio	**10.89%**	13.11%	Decreased by 2.22 percentage points
Liquidity coverage ratio	**212.12%**	208.79%	Increased by 3.33 percentage points
Net stable funding ratio	**136.74%**	131.00%	Increased by 5.74 percentage points
Net capital/Net assets	**75.45%**	84.64%	Decreased by 9.19 percentage points
Net capital/liabilities	**24.02%**	25.58%	Decreased by 1.56 percentage points
Net assets/liabilities	**31.84%**	30.22%	Increased by 1.62 percentage points
Equity securities and derivatives held/ Net capital	**49.13%**	44.99%	Increased by 4.14 percentage points
Non-equity securities and derivatives held/Net capital	**334.51%**	271.01%	Increased by 63.50 percentage points

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

1. Profiting status

Unit: Thousand Yuan Currency: RMB

Items	2022	2021	2020	2019	2018
Total revenue and other income	31,575,693	46,171,470	39,156,373	33,251,541	24,109,617
Total expenses	29,271,173	35,873,346	30,099,411	26,606,448	19,133,948
Profit before income tax	3,049,963	11,079,122	9,348,467	6,927,231	5,187,265
Profit for the year attributable to shareholders of the Company	2,789,068	9,398,369	7,766,175	5,735,413	4,160,189

2. Assets status

Unit: Thousand Yuan Currency: RMB

Items	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Total assets	613,117,025	601,011,467	491,124,277	388,537,268	347,725,035
Total liabilities	496,437,332	493,956,873	401,033,687	303,705,861	276,529,106
Total equity attributable to shareholders of the Company	95,044,944	95,222,008	88,464,617	83,206,190	69,399,325
Share capital	25,039,945	25,039,945	25,039,945	25,039,945	22,535,945

3. Key financial indicators

Items	2022	2021	2020	2019	2018
Basic earnings per share (in RMB per share)	0.11	0.38	0.31	0.24	0.19
Diluted earnings per share (in RMB per share)	0.11	0.38	0.31	0.24	0.19
Weighted average return on equity (%)	2.93	10.26	9.05	7.41	6.19
Gearing ratio (%) Note	77.25	78.43	77.08	72.77	75.23
Equity per share attributable to shareholders of the Company (in RMB per share)	3.80	3.80	3.53	3.32	3.08

Note: Gearing ratio = (Total liabilities – Accounts payable to brokerage clients-Proceeds from underwriting securities received on behalf of customers)/(Total assets – Accounts payable to brokerage clients- Proceeds from underwriting securities received on behalf of customers)*100%

Section III Report of the Board

I. INDUSTRY OF THE COMPANY DURING THE REPORTING PERIOD

(I) Basic Information of the Industry of the Company

In 2022, affected by several adverse factors such as the escalating geopolitical conflicts, intensifying global and regional jockeying, China's national economic development exposed to unprecedented challenges with characteristics of overall demand contraction, supply shock and weakening expectations, notable downward of economic growth rate, and intensifying volatility capital market. During the year, the major indexes of the securities market were fluctuated with a certain downward trend, the SSE Composite Index, the SZSE Component Index and the ChiNext Price Index dropped by 15.13%, 25.85% and 29.37%, respectively. Affected by the sharp market fluctuations, the performance of the securities industry significantly dropped. In particular, the investment and trading businesses of the industry were greatly affected by the market environment, investment banking and capital intermediary businesses have shown certain resilience. In order to maintain the stability of the capital market and boost market confidence, the CSRC has resolutely implemented the spirit of the special meeting of the Financial Stability and Development Commission of the State Council, and has successively issued a series of policies to fully maintain the stable operation of the capital market. With the support of various policies and measures for economic and social development, the national economy has gradually stabilized and rebounded, showing a trend of steady strengthening, steady improvement, and steady improvement in quality. The overall business environment of the securities industry has been improved with businesses back on track of benign development.

During the Reporting Period, the securities industry in the PRC showed four major development characteristics:

1. Reform has consolidated the resilience of the capital market, and promoted the steady and high-quality development of the industry

During the Reporting Period, under the principle of "steadiness at the forefront and seeking progress while maintaining stability", the capital market advanced various reform measures, gradually improved the system construction, and promoted the long-term improvement of the capital market. The official implementation of the transfer system of the Beijing Stock Exchange marks that China's multi-tier capital market has achieved real interconnection; the pilot implementation of the market maker system of the STAR Market filled the gap of the A-share market making system; the expansion of subject scope of margin financing and securities lending is expected to attract incremental capital market; the enrichment of financial derivative types made non-directive investment becoming an important development direction; the opening-up of personal pension is conducive to long-term fund investment and speeding up of wealth management; the issuance of the Futures and Derivatives Law of the People's Republic of China provides a broader space for the opening up and high-quality development of the futures market. Upon implementation of the comprehensive registration system, a new system construction cycle of the capital market has commenced. With the implementation of numerous policies and measures, China's capital market is still in the stage of continuous expansion, and the market ecology has been gradually improved, which promoted the healthy and sustainable development of the securities industry.

2. **The change in competition layout of the industry promoted the transformation of professionalism and differentiation of securities companies**

Benefited from the huge opportunities brought by China's rapid development of multi-level capital market, China's securities industry has achieved considerable development, and has shown the characteristics of improving industry concentration, and attaching equal importance to both asset-heavy and asset-light businesses. With the promotion of transformation of China's securities companies to "professional investment banks", a trend of centralization among leading securities companies was shown due to that the large-scale securities companies have strong capital strength, comprehensive business structure, leading innovation capability and comprehensive risk control; and small and medium-sized securities companies have continued to seek for differentiated development, a coexistence layout of mega-sized securities companies and differentiation of boutique securities companies will be formed in the future to jointly serve different participants in the multi-level capital market.

3. **Intensifying investment in information technology, and empowerment of digital transformation on the long-term development of the industry**

With the continuous enhancement of capital strength, the financial industry has great potential in the digital transformation. The securities industry has shown a rapid growth momentum in the investment of financial technology funds and human resources. Also, continuous breakthroughs have also been made in system innovation and new technology application, and the digitalization of the securities industry will be further developed. By strengthening the construction of the financial technology platform, the securities companies conducted intelligent investment consulting, intelligent trading and intelligent operation, etc., thereby comprehensively improving the business efficiency, expanding business boundaries, reducing operation costs, and enhancing risk management level. The financial technology empowers the service upgrading and business innovation to further promote the high-quality development of the securities industry.

4. **Continuous improvement of legal system construction to build a healthy and good market ecology**

In 2022, the "zero tolerance" regulatory enforcement in the capital market continued to enhance. During the Reporting Period, the securities regulatory system intensively issued various regulatory documents, covering practitioners' practice norms, business operation guidelines, compliance culture construction, reputation management, etc., and steadily promoted the establishment of laws and regulations. Moreover, the supervision on securities firms' non-compliance by supervision authorities remained strict, the administrative punishment has been significantly intensified, and higher requirements have been put forward on the due diligence level of intermediary institutions when they carry out the business. By strengthening system establishment, intensifying supervision, and further setting up the cultural concept of the securities industry with "compliance, integrity, professionalism and stability" as the core, it will continue to promote the high-quality development of the securities industry.

(II) Industry Position of the Company

As a comprehensive financial service provider based on the capital market, the Company has witnessed the development of the securities industry of the PRC, experienced multiple market cycles and established a long-standing, comprehensive and high-quality leading position in the securities industry of China. The Company fully exerts the dual structure advantages of "investment holding group + securities subsidiaries", upholds steady operation and strict risk control, and with the focus on the needs of customers of corporate finance, personal finance, institutional services and trading as well as investment management, etc., the Company constantly enriches the securities business fields, optimizes the asset allocation structure, accelerates the business coordination, continues to improve the sustainable investment model, and strives to create a closed loop of comprehensive financial services. During the Reporting Period, the Company conscientiously implemented the decisions and arrangements of the CPC Central Committee and the State Council, respectively, solidly executed the "six stabilizations" work, comprehensively implemented the "six guarantees" tasks, continuously strengthened the comprehensive customer service capacity, actively optimized the business layout, accelerated the reform and transformation, strengthened risk prevention and control, and took several measures to serve the national strategy, supported all kinds of market players in their rescue efforts and helped stabilize the overall economic market. During the Reporting Period, in the face of several unpredictable shock, the performance of the Company experienced a decline. However, the asset quality and financial condition of the Company was good in overall, its operation and management continued to develop healthily, and major business indicators continued to maintain the leading advantages in the industry and in the relatively stable position.

(III) Major Impact of Newly Promulgated Laws, Administrative Regulations, Departmental Rules and Industry Policies on the Industry

In 2022, China's capital market has continued to further promote systematic reforms and continued to perfect the construction of legal system of the capital market under the policy of "system establishment, non-intervention and zero tolerance". **In terms of infrastructure construction**, a series of registration system supporting documents such as IPO underwriting regulations and securities companies' responsibility performance were released in 2022, promoting high-quality reform of the securities issuance system and further consolidating the responsibilities of intermediaries. During the year, the pilot implementation of the market maker system of the STAR Market, the expansion of margin financing and securities lending subjects, constant perfection of the securities trading system and constant improvement of the delisting system promoted the increase of delisted companies. **In terms of market system construction**, in 2022, the reform and innovation of the NEEQ continued to deepen, the Beijing Stock Exchange experienced high-quality expansion, and the regional equity market has undergone multi-dimensional reforms. In addition, with the promotion of the reform of the registration system, the integration development of the multi-level stock market and the bond market has accelerated, and the multi-level market system has gradually improved. **In terms of product innovation**, the financial derivatives market expanded greatly in 2022, and the equity derivatives market has initially formed a full coverage of large-, medium- and small-cap broad-based index options and futures, and the publicly offered REITS and other characteristic products developed significantly, proactively serving the capital market with Chinese characteristics. **In terms of dual opening-up**, in 2022, the interconnection between Mainland China and Hong Kong has made notable progress. ETFs have been included in the interconnection. Both stock exchanges of Mainland China and Hong Kong have further expanded the scope of stock interconnection. The Shanghai-London Stock Connect has expanded to the markets in German and Swiss. GDR listing has become popular among Chinese enterprises. The importance of the securities industry to the financial system has been further enhanced in the deepening reform of the capital market.

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

(I) Principal business engaged by the Company during the Reporting Period

As an investment holding group, the Company is committed to providing diversified financial products and services to clients by relying on the capital market and focusing on securities businesses. Utilizing the two-tier structure of "investment holding group + securities subsidiaries", the Company has established a business model with differentiated competitive advantages. 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			Institutional	
Investment Banking	**Principal Investment**	**Personal Finance**	**Services and Trading**	**Investment Management**
• 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) Major awards and honors granted during the Reporting Period

Shenwan Hongyuan Group

China Association for Public Companies
- Best Practice Case for Rural Revitalization of Listing Companies
- Excellent ESG Practice Case of Listing Companies
- Best Practice for Supervisory Committee of Listing Companies
- Best Practice Case for Board Office of Listing Companies
- Performance Evaluation Level 5A of the Secretary to the Board of Directors of Listed Companies
- Classic Cases of M&A in Capital Market for Last Decade

International Finance Forum (IFF)
- Annual Award of IFF Global Green Finance Award in 2022

Securities Times
- Most Valued ESG Top 100 of Chinese Listing Companies
- Best Investor Relations Award of Chinese Listed Companies of the 13th Tianma Award for Investor Relations Award of Chinese Listed Companies

National Business Daily
- TOP 10 Most Valuable Listed Securities Companies

Shenzhen Stock Exchange
- Information Disclosure Appraisal Class A of Main Board Listed Companies of 2021
- CNI ESG Appraisal Level AA of the Shenzhen Stock Exchange

Chinese Venture
- 2021 China Best Brokerage Fund

Panorama Network
- 2021 Panorama Investor Relations Golden Award – Outstanding IR Team
- Institutional Friendly Communication Award
- Results Presentation Innovation Award
- Results Presentation Diligency Award

RoadShowChina
- Best Capital Market Communication Award and Best Leadership Award of the Sixth Session of China Outstanding IR Selection

Directors & Boards magazine
- The 17th Gold Round Table Award for Boards of Chinese Listed Companies – Excellent Board of Directors

China Top 100 Listed Companies Summit
- China Top 100 Enterprise Award, China Ethical Enterprise Award, Top 100 Outstanding Board Secretary Award

Shenwan Hongyuan Securities

Shanghai Municipal People's Government
- Shanghai Chuansha Road Securities Branch was awarded the title of "Shanghai Worker Pioneer"

National Industrial Information Security Development Research Center
- Excellent Partner of Industry Application and Practice

Securities Association of China
- Level A of Class A Practical Evaluation for the Cultural Development of Securities Companies
- Demonstration Practice Base of Assistance and Support Work of the Securities Industry

China Foundation for Rural Development
- Annual Outstanding Poverty Alleviation Award

Work Committee of the Central Government Departments of PRC
- Recommended Cases of Financial Assistance for Rural Revitalization

National Rural Revitalization Administration
- Being selected as one of the six key cases of China in the "Typical Cases Solicitation Activity for Social Force Involving Rural Revitalization"
- Being selected as one of the "First Batch of 36 Traditional Referral Cases for Rural Revitalization of China"

China Social Welfare Foundation
- Information Innovative Technology Base (Huining)

Xuhui District Government of Shanghai
- Outstanding Economic Contribution Award of Xuhui District in 2021
- Top 100 Enterprises Contribution Award of Xuhui District in 2021

Shanghai Committee of Chinese Communist Youth League
- Youth May 4th Group Medal of Shanghai Committee of Chinese Communist Youth League

Shenzhen Stock Exchange
- 2021 "Outstanding Bond Investment and Trading Institution"
- 2021 "Outstanding Interest Rate Bond Underwriter"

- Outstanding Individual Awards of the "Outstanding Interest Rate Bond Underwriter"
- 2021 Outstanding REITs Liquidity Service Provider
- 2021 Outstanding Bond Investment and Trading Institution
- Outstanding Individual Awards of the 2021 Outstanding Bond Investment and Trading Institution

Shanghai Stock Exchange

- Outstanding Corporate Bond Underwriter
- Outstanding Underwriter of Innovative Corporate Bond Products
- Outstanding Local Government Bond Underwriter
- 2021 Outstanding Market Maker for Publicly Offered REITs

China Securities Internet System Co., Ltd.

- Appreciation Letter from China Securities Internet System Co., Ltd.

China Central Depository & Clearing Co., Ltd.

- Outstanding Institution of Local Debt Underwriting
- Top 100 Proprietary Clearing House of Bond Trading and Investment
- 2021 CDC Member Business Development Quality Evaluation Results – Top 100 Proprietary Clearing (Securities Institution)
- 2021 CDC Member Business Development Quality Evaluation Results – Outstanding Institution of Local Debt Underwriting (Non-banks)

China Foreign Exchange Trade System and National Interbank Funding Center

- 2021 Annual Market Influence Award – Active Dealer
- 2021 Market Innovation Award – Bond Underwriting and Distribution (Underwriter)
- 2021 Market Innovation Award – iDeal
- 2021 Interbank Local Currency Market – Excellent Dealer
- 2021 Interbank Local Currency Market – Monetary Market Tool and Bond Issuance Advanced Individual
- 2021 Interbank Local Currency Market – iDeal Star
- 2021 Outstanding Interbank Local Currency Market Trading Officer (Including Risk Control Officer)
- 2022 Interbank Local Currency Market Evaluation Results (Awards for Institutions) — Annual Market Influence Award (Active Dealer, Derivatives Market Dealer)
- 2022 Interbank Local Currency Market Evaluation Results (Awards for Institutions) – Market Innovation Award – (Bond Underwriter, iDeal)

China Financial Futures Exchange

- 2021 Outstanding Dealer of Treasury Bond Futures
- 2021 Outstanding Trading Team Award of Treasury Bond Futures (Proprietary)

Dalian Commodity Exchange

- Futures Market Maker Advanced Contribution Award

Zhengzhou Commodity Exchange

- Outstanding Option Market Maker Award

Shanghai Futures Exchange

- Bulk Commodity Swap Appreciation Letter from Shanghai Futures Exchange
- Market Making Business Silver Award

Shanghai Financial Leasing Industry Association

- Annual Innovative Financing Award – Jinquan Award "Best Annual Clearing House Financing Innovative Award"
- Annual Innovative Financing Award – Jinquan Award "Best Annual Financial Leasing Financial Service Institution Award"

SPD Bank

- 2021 Best FICC Partner of SPD Bank

China Securities Journal

- Golden Bull Securities Company
- Golden Bull Award for Culture Construction of Securities Company
- Golden Bull Investment Bank Team
- Three-Year Golden Bull Broker's Collective Asset Manager
- Shenwan Hongyuan Beautiful Life Domestic Demand Growth Collective Asset Management Plan won the Five-year Stock Multi-position Continuing Winning Golden Bull Asset Management Plan Prize
- Hongyuan Domestic Demand Growth Collective Asset Management Plan won the Three-year Stock Multi-position Continuing Winning Golden Bull Asset Management Plan Prize

- Shenwan Hongyuan Jinding Logic Enhance Alpha Growth No.11 Collective Asset Management Plan won the One-year Index Enhanced Golden Bull Asset Management Plan Prize
- Shenwan Hongyuan Xinju Stability No.7 Collective Asset Management Plan won the Three-year Mid- to Long-term Pure Bond-type Continuing Winning Golden Bull Asset Management Plan Prize
- Shenwan Hongyuan Baoying Jinli No.1 Collective Asset Management Plan won the Three-year Short-term Pure Bond-type Continuing Winning Golden Bull Asset Management Plan Prize
- Shenwan Hongyuan Fengshou Zhuanxiang No.1 Collective Asset Management Plan won the One-year Short-term Pure Bond-type Continuing Winning Golden Bull Asset Management Plan Prize
- Shenwan Hongyuan Fixed-income No.66 Collective Asset Management Plan won the One-year Mid- to Long-term Pure Bond-type Continuing Winning Golden Bull Asset Management Plan Prize
- Shenwan Hongyuan Xinfeng Star Private Tranche FOF1 Collective Asset Management Plan won the Three-year FOF-type Golden Bull Asset Management Plan Prize
- Shenwan Hongyuan Hongsheng Large-scale Asset Allocation No.1 FOF Collective Asset Management Plan won the One-year FOF-type Golden Bull Asset Management Plan Prize

Securities Times

- 2022 Junding Award for Comprehensive Asset Management Institution of China Securities Industry
- 2022 Junding Award for Asset Management Equity Team of China Securities Industry
- 2022 Junding Award for Asset Management Quantitative Team of China Securities Industry
- Shenwan Hongyuan Beautiful Life Domestic Demand Growth won the 2022 Junding Award for Equity Asset Management Plan of China Securities Industry
- Shenwan Hongyuan Shenli Zunxiang won the 2022 Junding Award for Fixed Income Asset Management Plan of China Securities Industry
- Shenwan Hongyuan Shanghai Juli No.1 won the 2022 Junding Award for Quantitative Asset Management Plan of China Securities Industry
- Shenwan Hongyuan Hongli Growth won the 2022 Junding Award for Public Equity Products of China Securities Industry

Bloomberg

- Champion of Bloomberg ESG Quantitative Contest

Euromoney Institutional Investor SRP

- Growth Rising Star Award
- Person of the Year

WIND Information

- WIND Best Bond Underwriter of the Year
- Outstanding Securities Company of WIND Best Credit Bond Underwriter
- Outstanding Securities Company of WIND Best Financial Bond Underwriter
- WIND Best Corporate Bond Underwriter

CNABS

- Publicly Offered REITs Investment Institution Award of "Golden Laurel Award" in the 6th CNABS China Asset Securitization Annual Selection

New Fortune

- Best Bond Underwriting Investment Bank
- Best Corporate Bond Project

Asia Risk Magazine

- Securities House of the Year of Asia Risk Award 2022

Caijing Magazine

- Everlasting Award – Sustainable Development Inclusive Award

Shenwan Futures

Shanghai Pudong New Area People's Government

- 2021 Economic Outstanding Contribution Award of Pudong New District

China Futures Association

- 2021 Outstanding Case of Futures Operators Serving SMEs
- Outstanding Party Building Case of Future Companies

Dalian Commodity Exchange

- 2021 Outstanding Member Gold Award
- 2021 Excellent Technology Service Award
- 2021 Excellent Energy and Chemical Industry Service Award

- 2021 Outstanding Steel Raw Fuel Industry Service Award
- 2021 Outstanding Institutional Service Award

China Financial Futures Exchange

- 2021 Outstanding Member Platinum Award
- 2021 Risk Management Service Award (Stock Index Futures)
- 2021 Risk Management Service Award (Stock Index Options)
- 2021 Marketing Publicity Award
- 2021 Treasury Bond Futures Market Maker Outstanding Service Member Award

Zhengzhou Commodity Exchange

- 2021 Outstanding Member
- 2021 Agricultural Industry Service Award
- 2021 Textile Industry Service Award
- 2021 Outstanding Risk Management Company
- 2021 Outstanding Industry Service Sales Department
- Outstanding Futures Market Maker Award
- "Insurance + Future" Pilot Project Outstanding Project Award

Shanghai Futures Exchange

- Outstanding Investment Research Team
- Outstanding Macro Analyst Award
- Outstanding Nonferrous Metals Analyst
- Outstanding Ferrous Metals Analyst
- Outstanding Precious Metals Analyst
- Outstanding Energy and Chemical Analyst
- Outstanding Derivatives Analyst
- Outstanding Member Award
- Precious Metals Industry Service Award
- Energy and Chemical Industry Service Award
- Second Prize of Outstanding Performance in "Improving Futures Operation Quality and Serving Real Economy" Activities
- Third Prize of 2021 Natural Rubber "Insurance + Futures" Pilot Project

Shanghai International Energy Exchange

- Outstanding Industrial Service Team
- Outstanding Analyst

Organizing Committee of the 16th Session of Shanghai Financial Servicing Real Economy Fair

- Outstanding Performance Award in Bailing Out Businesses in Difficulty of the Shanghai Finance Industry (Outstanding Award)

The Securities & Futures Association of Ningbo

- 2021 Advanced Unit of Cultural Construction of Futures Industry of Ningbo

Ningbo Financial Association

- 2021 Outstanding Financial Advisor

Lujiazui Financial Security Institute and China Centre for Anti-Money Laundering Studies of Fudan University

- 2022 Anti-Money Laundering Advancing Guider Award of 2022 2nd Session of Lujiazui National Finance Security Summit and 12th Session of China Anti-Money Laundering Furum

Futures Daily, Securities Times

- China Best Futures Company
- Best Commodity Futures Industry Service Award
- Best Financial Futures Service Award
- Best Rural Revitalization Service and Social Responsibility Public Welfare Award
- Best Assets Management Leadership Award
- Outstanding Asset Management Product of the Year
- Best Capital Operator Award
- Most Popular We Media for Futures Business Institutions
- Annual Investor Education Model Innovation Award
- Best Risk Management Subsidiary Service Innovation Award
- New-comer Award for Internationalization
- Best Comprehensive Derivatives Service Innovator Award
- Best China Futures Branch
- Gold Medal Management Team of Futures Broker in China
- Best Steward of the Year of China Futures Company
- Best Contribution Award for Futures Talent Cultivation Institution
- Best Bank and Futures Cooperation Innovation and Exploration Award
- Best Futures IB Securities Operating Institution
- Gold Futures Research Institute in China
- Best Futures Research Institution Leader
- Best Macro Finance Research Team
- Best Ferrous Industry Research Team
- Best Energy and Chemical Industry Research Team

- Best Agricultural Products and Industry Research Team
- Best Macro Finance Analyst
- Best Industrial Products Futures Analyst
- Best Agricultural and Sideline Products Futures Analyst
- Best Option Analyst

SWS MU

Shenzhen Stock Exchange
- 2021 Emerging ETF Fund Manager

Shanghai Securities News
- 19th Session of Shanghai Securities News "Golden Fund" Growth Fund Management Company Award
- SWS MU Smart Driving won the 19th Session of Shanghai Securities News "Golden Fund" Equity Funds Three-year Award

Shenyin & Wanguo Investment

Securities Times
- "Best PE Institution of the Year" Award of 2022 China Venture Capital Golden Eagle Awards

36Kr (36氪)
- Most Popular Private Equity Investment Institutions for Entrepreneurs TOP50

Shenwan Hongyuan Financing Services

Securities Association of China
- 2022 Evaluation Class A of Investment Bank Business Quality of Securities Companies

WIND
- Best A Share Equity Underwriter
- Best A Share IPO Underwriter
- Best A Share Refinancing Underwriter
- Best STAR Market Equity Underwriter
- Beijing Stock Exchange Equity Underwriter
- Best NEEQ Lead Securities Company

New Fortune
- The 9th Best Local Investment Bank
- The 8th Best Equity Underwriting Investment Bank
- The 8th Best Refinancing Investment Bank
- The 9th Best IPO project – Sinocat Environmental
- The 7th Best Corporate Bond Project – Nanjing Jiangning Tourism Industry Group
- The 5th Best Investment Bank in New Energy Industry
- The 9th Best Debt Underwriting Investment Bank-Shenwan Hongyuan Securities
- The 10th Best Refinancing Project – Zhonghuan Semiconductor
- Best Practicing ESG Investment Bank – Shenwan Hongyuan Securities (Consolidated)
- Best Investment Banking Elite
- Best Sponsor Representative

Caijing Magazine
- STAR Market Third Anniversary Selection – Best STAR Market Service Institution of the Year

Securities Times
- 2022 Comprehensive Investment Bank Junding Award of China Securities Industry
- 2022 STAR Market Investment Bank Junding Award of China Securities Industry
- 2022 Shanghai and Shenzhen Main Board Investment Bank Junding Award of China Securities Industry
- 2022 Beijing Stock Exchange (NEEQ) Investment Bank Junding Award of China Securities Industry
- 2022 Eastern China Investment Bank Junding Award of China Securities Industry
- 2022 Main Board Financing Project Junding Award of China Securities Industry – TCL Zhonghuan Private Placement
- 2022 Beijing Stock Exchange Financing Project Junding Award of China Securities Industry – Tri-Prime Gene IPO

China Business Network
- 2022 Investment Banks TOP10

China Securities Journal
- Golden Bull Investment Bank Team

SWS Research

Research Association of Ideological and Political Work of China Financial Institutions
- Second Prize of Essay Competition Titled "Extraordinary Decade • People's finance" of Research Association of Ideological and Political Work of China Financial Institutions

New Fortune
- Best Analyst Selection – Most Influential Research Institution
- Best Analyst Selection – Best Local Research Team

- Best Analyst Selection – Best ESG Practice Reach Institution
- Best Analyst Selection – Outstanding Contribution Group Award of Securities Research Industry

Securities Market Weekly

- Crystal Ball Awards for Sell-side Analysts – Local Gold Medal Research Team
- Crystal Ball Awards for Sell-side Analysts – Best Research Institution

China Securities Journal

- Golden Bull Best Industry Analysts Team

Sina Finance

- Golden Kirin Best Analyst List – Best Industry Research Institution
- Golden Kirin Best Analyst List – Most Honorable Research Institution
- Golden Kirin Best Analyst List – Best Strategic Analyst
- Golden Kirin Best Analyst List- Best Real Estate Analyst
- Golden Kirin Best Analyst List- Best Non-banking Finance Analyst
- Golden Kirin Best Analyst List- Best H Share and Overseas Market Research Analyst
- Golden Kirin Best Analyst List- Best High-end Manufacturing Analyst
- Golden Kirin Best Analyst List- Best Public Utility Analyst
- Golden Kirin Best Analyst List- Best Basic Chemical Analyst
- Golden Kirin Best Analyst List- Best Transportation and Logistic Analyst
- Golden Kirin Best Analyst List- Best Military Industry Analyst
- Golden Kirin Best Analyst List- Best Coal Industry Analyst
- Golden Kirin Best Analyst List- Best Petroleum and Petrochemical Analyst
- Golden Kirin Best Analyst List- Best Food and Beverage Analyst
- Golden Kirin Best Analyst List- Best Communication Industry Analyst
- Golden Kirin Best Analyst List- Best Metaverse (Media) Analyst
- Golden Kirin Best Analyst List- Platinum Strategic Research Analyst
- Golden Kirin Best Analyst List- Platinum Real Estate Analyst
- Golden Kirin Best Analyst List- Platinum Basic Chemical Analyst
- Golden Kirin Best Analyst List- Platinum Computer Analyst
- Golden Kirin Best Analyst List- Platinum Military Industry Analyst
- Golden Kirin Best Analyst List- Platinum Coal Industry Analyst
- Golden Kirin Best Analyst List- Platinum Food and Beverage Industry Analyst
- Golden Kirin Best Analyst List- Platinum Communication Industry Analyst
- Golden Kirin Best Analyst List- Platinum Medical Beauty Industry Analyst
- Golden Kirin Best Analyst List- Platinum Metaverse (Media) Analyst
- Golden Kirin Best Analyst List- Security Analyst Future Star

Hongyuan Futures

Research Association of Ideological and Political Work of China Financial Institutions, China Cultural and Finance Association

- 2021-2022 Advanced Unit for National Financial System Culture Construction

Zhengzhou Commodity Exchange

- 2022 Outstanding Member
- 2022 Option Market Service Award
- 2022 Agricultural Product Service Award
- Outstanding Agricultural Industry Service Sales Department (Wenyi Road Sales Department, Urumqi)

China Financial Futures Exchange

- 2022 Platinum Award and Risk Management Service Award (Treasury Bonds Futures)

Dalian Commodity Exchange

- 2022 Outstanding Member Gold Award

China Rural Credit Cooperative Newspaper (中國農村信用合作報社)

- 2022 Futures Model Unit for Supporting Rural Revitalization

III. CORE COMPETITIVENESS ANALYSIS

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, Central China 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.

IV. PRINCIPAL BUSINESS ANALYSIS

In 2022, the Company insisted on the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the spirit of the 20th Party Congress, seriously implemented the decisions and deployments of the CPC Central Committee and China Investment Corporation, insisted on the development position of state-owned financial enterprises, fully implemented the "three major tasks" of finance, served the needs of the national strategy, the development needs of the people and the needs of the real economy, and made the provision of professional and efficient intermediary services for the real economy, the capital market and the general public the top priority of the Company's development. In the face of the complicated international situation and the severe situation of sharp decline in main indicators of the securities market, the Company insisted on the general keynote of "seeking progress in a stable manner", adhered to our main responsibilities, optimized our business layout, reformed our system mechanism, strengthened risk prevention and control, and promoted our business development to integrate into the overall situation of high-quality development of economy and capital market in China, with its principal businesses maintaining at a balanced development trend.

(I) Overall Situation

In 2022, the Company achieved total revenue and other income of RMB31,576 million, representing a year-on-year decrease of 31.61%; profit before income tax of RMB3,050 million, representing a year-on-year decrease of 72.47%; profit for the year attributable to shareholders of the Company of RMB2,789 million, representing a year-on-year decrease of 70.32%; basic earnings per share of RMB0.11, representing a year-on-year decrease of 71.05%; weighted average return on net assets of 2.93%, representing a year-on-year decrease of 7.33 percentage points. As of December 31, 2022, the Company's total assets amounted to RMB613,117 million, representing an increase of 2.01% compared to the beginning of the year; and the total equity attributable to the shareholders of the Company amounted to RMB95,045 million, representing a decrease of 0.19% compared to the beginning of the year.

(II) Principal Businesses

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: Thousand Yuan Currency: RMB

Segment	Total revenue and other income	Total expenses	Profit before income tax margin [Note] (%)	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 profit before income tax margin as compared to the corresponding period of last year (percentage point)
Enterprise finance	3,565,026	3,132,101	27.34	-10.83	-0.88	-6.54
Including: Investment banking	2,335,980	1,550,884	33.61	4.36	14.05	-5.64
Principal investment	1,229,046	1,581,217	19.92	-30.16	-12.16	-9.23
Personal finance	11,227,472	9,650,942	14.04	-20.85	-3.25	-15.63
Institutional services and trading	14,967,053	14,702,952	1.76	-41.83	-29.05	-17.70
Investment management	1,816,142	1,785,178	1.70	-19.56	-11.37	-9.09
Total:	31,575,693	29,271,173	9.44	-31.61	-18.40	-14.16

Note: Profit before income tax margin = Profit before income tax/(Total revenue and other income + Share of profit of associates and joint ventures)*100%

1. Enterprise Finance Business

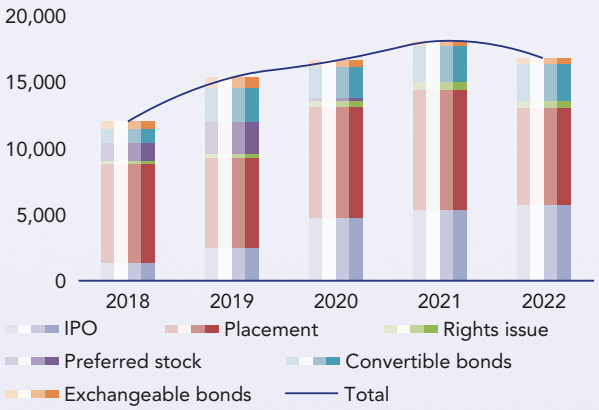
Targeting enterprise clients, our enterprise finance business consists of investment banking business and principal investment business. The investment banking business includes equity financing, debt financing and financial advisory, while the principal investment business includes equity investment, debt investment and other investment. During the Reporting Period, the enterprise finance business segment of the Company recorded total revenue and other income of RMB3,565 million, including RMB2,336 million from the investment banking business segment, and RMB1,229 million from the principal investment business segment.

(1) Investment banking business

Market environment:

Domestic Equity Financing Size (2018-2022)

Unit: '00 million Currency: RMB

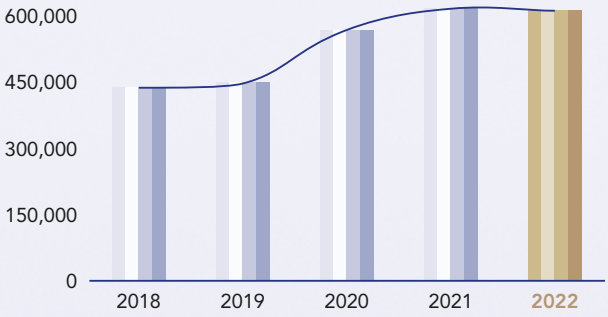


Notes:

1. Source: WIND;
2. Based on the data on the listing date

Domestic Debt Financing Size (2018-2022)

Unit: '00 million Currency: RMB



Notes:

1. Source: WIND;
2. Based on the data on the issuance date

a. Equity financing

The domestic market was affected by multiple risk factors such as the upgrading of global trade conflicts and the tension of geopolitical situation, and the overall equity business in the A-share market was on a downward trend, with the overall issuance pace in the primary market slowed down compared to 2021. Except for a slight increase in IPO underwriting size, the number of IPOs, the number and size of refinancing projects dropped significantly. During the Reporting Period, a total of 428 A-share IPOs were listed, a decrease of 18.32% year-on-year, and the amount of initial public offering reached RMB586.886 billion, increased by 8.15% year-on-year. In 2022, the scale of A-share refinancing reached RMB1,101.302 billion, a decrease of 13.63% year-on-year. In particular, the scale of private placement reached RMB722.924 billion, a decrease of 20.40% year-on-year; the total issuance scale of convertible bonds reached RMB273.558 billion, a decrease of 0.30% year-on-year. (WIND, 2022, where refinancing scale statistics include private placement, preferred share, convertible bond, rights issue and exchangeable bond).

As for the overseas market, the Hong Kong market followed the global market downtrend in 2022 due to geopolitical conflicts, FED rate hikes and tapering. As for primary securities market in Hong Kong, the Company completed a total of 90 Hong Kong IPOs, with a financing scale of HKD104.570 billion, a decrease of 68.4% year-on-year. The refinancing size of the Company's Hong Kong shares was HKD147.318 billion, a decrease of 66.7% year-on-year. (Hong Kong Stock Exchange, 2022)

b. Debt financing

In the domestic market, the bond market experienced a decline in terms of the total issuance amount in 2022 compared to 2021, with the exception of certain increases in several categories in terms of issuance size. Particularly, the issuance size of enterprise bonds was RMB368.130 billion, representing a year-on-year decrease of 16.32%; the issuance size of corporate bonds was RMB3,090.484 billion, representing a year-on-year decrease of 10.49%; and the issuance size of financial bonds was RMB9,449.006 billion, representing a year-on-year increase of 0.48%. During the Reporting Period, the regulatory and auditing policies of strictly controlling hidden debt, categorizing and regulating debt according to the "red, orange, yellow and green" list of regional debt ratios, and strictly controlling the debt size of low- and medium-rated issuers were consistently implemented, and the auditing policies were even further tightened. In terms of real estate bonds, the policy of implementing differentiated classification and review was maintained throughout the year by strictly adhering to the "three red lines" principle. In November 2022, the Institute of Traders has proposed to promote and expand the support tools for private enterprise bond financing, so as to support private enterprises, including real estate enterprises, in bond issuance and financing. The restructuring of financial bonds and the contraction of credit ABS have yielded significant results. (WIND, 2022)

In the overseas market, there was a sharp adjustment in the Chinese-funded USD bonds market due to the Fed's record rate hike cycle. The number of Chinese-funded USD bonds in 2022 was 963, with a total issue size of USD119.05 billion, a year-on-year decrease of 40.7%. (Bloomberg, 2022)

c. Financial advisory

Against the background of the steady progress of the registration system reform, the mergers and acquisitions market has further returned to rationality, with IPO becoming the preferred channel for high-quality. The supply side of high-quality assets was relatively scarce. 46 restructuring projects of listed companies were approved by the securities regulator in 2022, and the mergers and acquisitions market rebounded slightly. (WIND, 2022)

Operating measures and results:

The Company insisted on implementing national strategies and serving the real economy as the core; effectively brought its professional advantages into play; strengthened strategic guidance; practically identified its responsibilities and missions; and focused on its main responsibilities and businesses. The Company also expanded and deployed strategic national projects and special business varieties; supported the development of enterprises featured by "specialization, refinement, specialization and novelty", strategic emerging industries and frontier technology enterprises; assisted in the transformation and upgrading of enterprises in the key links and core points in the advanced manufacturing industries and industry chains, and continued to enhance its financial service capabilities for major national development strategies. The Company insisted on the organic unification of economic responsibility and social responsibility, did a good job of "six stabilizations" and "six guarantees", practiced the concept of financial inclusion, and continued to expand the service coverage. The Company actively played its role as a bridge between the capital market and the real economy, and continued to cultivate a business ecology that follows national strategies. The specific measures are as follows.

Serving national strategies	Specific measures
Serving technology for self-reliance and self-improvement	**Continued to improve the quality and efficiency of our services to the hard technology industry by providing precise services for technological self-reliance and self-improvement.** Equity financing: the Company supported high-tech enterprises including CICT Mobile Communication Technology Co., Ltd. (中信科移動通信技術股份有限公司), China Catalyst New Materials Co., Ltd. (中觸媒新材料股份有限公司) and Shenzhen Kiwi Instruments Electronics Co., Ltd. (深圳市必易微電子股份有限公司) to conduct equity financing activities. Since the introduction of the STAR Market, the Company supported a total of 12 enterprises listing on the STAR Market. Debt financing: the Company grasped tightly the hot spot business, and issued 12 "innovation and entrepreneurship corporate bonds" with issuance size of RMB12.7 billion, contributing professional force to implement national strategies of innovation-driven development. During the Reporting Period, the Company successfully issued the first corporate bond in China to support the technological innovation of enterprises featured by "specialization, refinement, specialization and novelty" and champion enterprises in single category, and the first corporate bond in China to support dual innovation in digital economy.

Serving national strategies	Specific measures
Serving green finance	**Established the first "carbon neutrality" team in investment banking industry, enhanced the comprehensive service capacity of green finance, and helped high-quality economic and social development and comprehensive green and low-carbon transformation.** Equity financing: the Company supported the financing of clean energy, energy conservation, environmental protection and other green industries. During the Reporting Period, as a sponsor and underwriter, the Company helped the successful listing of Xinjiang Lixin Energy Co., Ltd. (新疆立新能源股份有限公司), Sainz Environmental Protection Co., Ltd. (賽恩斯環保股份有限公司) and China Catalyst New Materials Co., Ltd. (中觸媒新材料股份有限公司), and helped Shenzhen XFH Technology Co., Ltd. (深圳市翔豐華科技股份有限公司) and Penyao Environmental Protection Co., Ltd. (鵬鷂環保股份有限公司) to complete refinancing. In addition, as an independent financial advisor, the Company completed the acquisition and restructuring project of Jiangxi Hongcheng Environment Co., Ltd. (江西洪城環境股份有限公司), which helped the listed company optimize its overall business layout in the environmental protection field. Debt financing: during the Reporting Period, the Company successively completed the issuance of 22 bonds of various types, including China Construction Bank green financial bonds, Baosteel green bonds (the first green corporate bonds for low-carbon transformation on the exchange), China Huaneng Group low-carbon transformation linked renewable bonds (中國華能集團低碳轉型掛鉤可續期債) (the first low-carbon transformation linked bonds on the exchange), Gezhouba Group low-carbon transformation linked renewable bonds (葛洲壩集團低碳轉型掛鉤可續期債) and Jiaxing natural gas green asset securitization, with a cumulative issuance size of RMB49.85 billion. In addition, the Company assisted Ganzhou Urban Investment Holding Group Co., Ltd. (贛州城市投資控股集團有限責任公司) (Fitch BBB-) to successfully issue a 3-year USD250 million offshore bond on the Hong Kong Stock Exchange, which is the first sustainable development offshore bond in Jiangxi Province and the first ESG offshore bond in a prefecture-level city in Jiangxi Province.

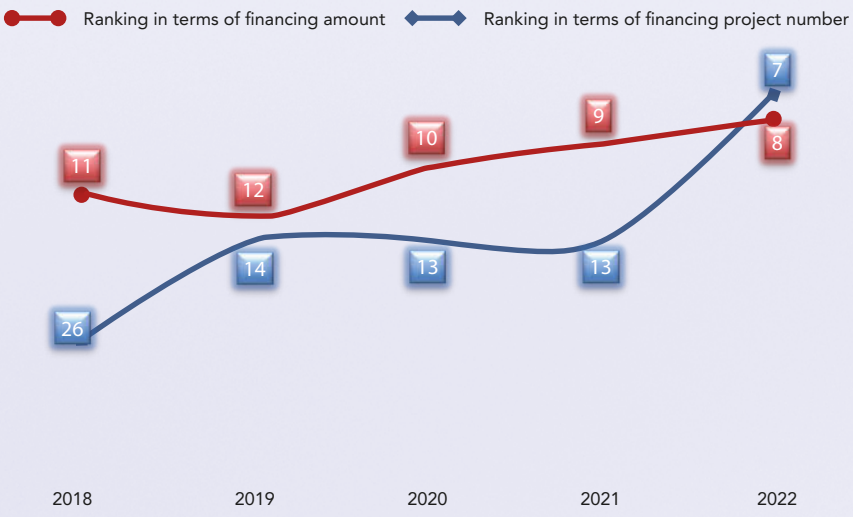
Serving national strategies	Specific measures
Serving small and medium sized enterprises featured by "specialization, refinement, specialization and novelty"	**Insisted on serving enterprises featured by "specialization, refinement, specialization and novelty", and helped to vigorously develop the national strategy of real economy.** During the Reporting Period, the Company provided equity underwriting services for 12 enterprises featured by "specialization, refinement, specialization and novelty", including TCL Technology Group Co., Ltd. (TCL科技集團股份有限公司) and Zhongke Meiling Cryogenics Co., Ltd. (中科美菱低溫科技股份有限公司), and provided NEEQ services for 14 enterprises featured by "specialization, refinement, specialization and novelty". The Company accumulatively provided equity financing and NEEQ services to 90 enterprises featured by "specialization, refinement, specialization and novelty", and continued to increase the support for small and medium-sized enterprises, accumulatively served more than 3,000 small and medium-sized enterprises. The Company formulated and implemented the "specialization, refinement, specialization and novelty" and "Investment + Investment Banking" strategies of Shenwan Hongyuan. During the Reporting Period, the Company ranked first in the market in terms of underwriting number on the Beijing Stock Exchange.
Serving industry optimization and upgrading	**With "serving the value growth of the industry" as the starting point, the Company supported the high quality development of the economy.** Debt financing: during the Reporting Period, the Company completed the issuance of 11 bonds related to the strategy of serving the value growth of the industry, with an issue size of RMB16.334 billion.
Serving the "Belt and Road Initiative"	Focused on exploring innovative financing models to support the construction of "Belt and Road Initiative" with financial water, and providing high-quality financial services for the construction of "Belt and Road Initiative". Equity financing: during the Reporting Period, the Company completed the IPO on STAR Market of Sainz Environmental Protection Co., Ltd. (賽恩斯環保股份有限公司) and the convertible bonds issuance of Xinjiang Tianye Co., Ltd. (新疆天業股份有限公司). The Company helped Huaxin Cement Co., Ltd. (華新水泥股份有限公司) to be listed in Hong Kong, and created a precedent for B-share to H-share conversion on the Shanghai Stock Exchange. Debt financing: during the Reporting Period, the Company underwritten four "Belt and Road Initiative" bonds with an issue size of RMB4.5 billion.

Serving national strategies	Specific measures
Serving the inclusive finance	**Actively implemented financial inclusion policies to help the rapid development of small and medium-sized enterprises.** Equity financing: during the Reporting Period, the Company completed 65 NEEQ directed offerings and listings, raising RMB1.254 billion, ranking second in number and third in size, first in cumulative number of recommended listings, and second in number of enterprises under continuous supervision. The Company actively implemented the work of helping and relieving the difficulties of small and medium-sized enterprises, and increased the efforts of reasonable concessions. The Company reduced and exempted the continuous supervision fees for NEEQ enterprises for many consecutive years. During the Reporting Period, the Company reduced or exempted annual supervision fees for 115 NEEQ enterprises, with a total amount of RMB8.481 million; continued to strengthen the promotion and training of financial inclusion policies, and provided financial inclusion promotion and training for more than 100 enterprises in total; helped enterprises to understand and master relevant national inclusive finance policies, market and industry development, development trend of the capital market in a timely manner, etc. Debt financing: during the Reporting Period, the Company completed the issuance of 17 bonds of Bank of Beijing, Beibu Gulf Bank, Bank of Jiangsu, CZBank and Guizhou Bank, with a total issuance size of RMB61.056 billion.
Supporting regional major development	Debt financing: during the Reporting Period, the Company completed 360 bonds related to supporting major regional development strategies, with an actual underwriting scale of RMB196.346 billion and an issuance size of RMB1,042.236 billion.
Serving rural revitalization	Debt financing: during the Reporting Period, the Company issued two bonds to serve rural revitalization, with an underwriting scale and total issuance amount of RMB620 million respectively, and helped the national rural revitalization strategy with practical actions.

a. Equity financing

In terms of domestic equity financing, during the Reporting Period, the Company's total equity underwriting scale was RMB37.684 billion for 40 enterprises, ranking the seventh in the industry in terms of underwriting number, with a rapid increase in the ranking in the industry. According to the 2022 investment banking business quality evaluation results published by the Securities Association of China, the Company ranked the first of A-class (the evaluation time range is from January 1, 2021 to December 31, 2021). The underwriting scale for IPOs was RMB12.340 billion for 17 enterprises, ranking the eighth in the industry in terms of underwriting number. In particular, the underwriting scale for IPOs on the STAR Market was RMB7.389 billion for 4 enterprises, ranking the seventh in the industry in terms of underwriting number and size; the underwriting scale for IPOs on the Beijing Stock Exchange was RMB1.465 billion for 9 enterprises, ranking the first in the industry in terms of underwriting number. The Company ranked first in terms of total score in our practice quality evaluation by Beijing Stock Exchange. The underwriting scale of refinancing was RMB25.344 billion for 23 enterprises, ranking the seventh in the industry in terms of underwriting number and size. (WIND, 2022, where refinancing scale statistics include private placement, preferred share, convertible bond, rights issue and exchangeable bond)

Ranking of the Company's equity financing from 2018 to 2022



In addition, the Company proactively promoted the strategy of "specialization, refinement, specialization, novelty" and vigorously developed inclusive financial business, to fully promote the development of small and medium-sized enterprises. During the Reporting Period, the Company completed a total of 65 NEEQ directed offerings and listings, raising RMB1.254 billion, ranking second in the number of companies, third in scale, first in the number of cumulative recommended listings, and second in the number of enterprises under continuous supervision. As of the end of the Reporting Period, it provided continuous supervision for 583 NEEQ-listed enterprises, ranking the second in the industry, including 153 enterprises on the innovative layer, ranking the second in the market; it accumulatively recommended 828 enterprises for listing, provided 885 private placements for listed enterprises, and conducted equity financing in a total amount of RMB36.014 billion for listed enterprises, all ranking the first in the industry (CHOICE, based on the data on the listing date); the Company accumulatively served as the underwriter for 9 enterprises listed on the Beijing Stock Exchange, ranking the first in the industry; the Company accumulatively served 13 IPO projects that have passed the review of the Beijing Stock Exchange, ranking the first in the industry (WIND, based on the data on the issuance date).

NEEQ	**Continuous supervision for 583 NEEQ-listed enterprises**	**Continuous supervision for 153 enterprises on the innovative layer**		Ranking the second in the market
	Number of enterprises accumulatively recommended for listing	Times of provision of private placements for listed enterprises	Total amount of equity financing for listed enterprises	Ranking the first in the industry
	828	885	RMB36.014 billion	

Beijing Stock Exchange	Underwriting number	Cumulative underwriting of 9 companies	Accumulatively served 13 IPO projects that have passed the review
	Ranking	The first	The first

In terms of overseas equity financing business, the Company steadily promoted its cross-border business and overseas presence. The Company gradually expanded project reserves and accelerated project turnaround. During the Reporting Period, the Company, as the exclusive sponsor and financial advisor, assisted Huaxin Cement Co., Ltd. to be listed in Hong Kong and completed the first B-share to H-share conversion on the Shanghai Stock Exchange. As the exclusive sponsor, the Company successfully assisted Flowing Cloud Technology Co., Ltd. (飛天雲動科技有限公司) to be listed on the main board of the Hong Kong Stock Exchange. The Company ranked 6th among Chinese securities firms in terms of the number of IPOs sponsored, 8th among Chinese securities firms in terms of the number of IPOs underwritten and 8th among Chinese securities firms in terms of IPO underwriting scale.

b. Debt financing

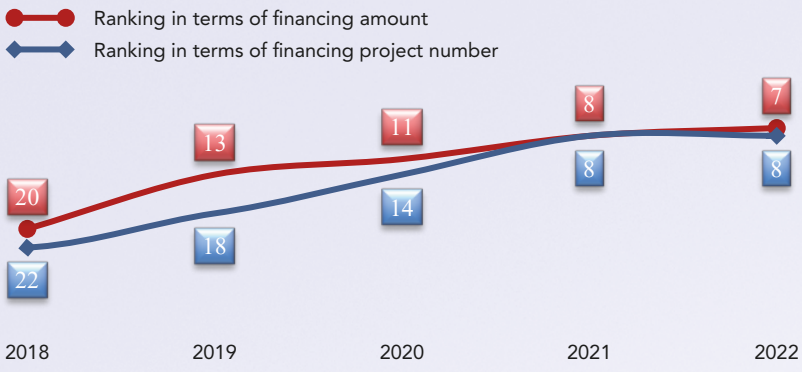
In respect of domestic bond financing business, in 2022, against the backdrop of negative growth in the credit bond issuance market, the Company maintained a good development trend in its bond financing business. The Company's bond business innovation continued to break through, the full range of business continued to improve, and the industry ranking and market influence steadily increased. For three consecutive years, the Company has been rated as a Class A brokerage firm by the China Securities Association for corporate bond business practice ability, and has been awarded Class A underwriter for corporate bond credit evaluation for six times. During the Reporting Period, the Company issued a total of 337 corporate bonds (corporate bonds + financial bonds + enterprise bonds), ranking eighth in the industry in terms of the number of bonds underwritten; the underwriting scale was RMB204.547 billion, ranking seventh in the industry in terms of underwriting scale, up by 1 place compared to the end of 2021. (WIND, 2022)

Unit: '00 million Currency: RMB

	2022			2021		
Item	Amount of lead underwriting	Number of lead underwriting	Ranking in the industry in terms of the number of underwriting	Amount of lead underwriting	Number of lead underwriting	Ranking in the industry in terms of the number of underwriting
Corporate Bonds	**880.53**	**224**	**9**	928.69	208	9
Financial Bonds	**1,099.47**	**97**	**6**	1,247.47	106	8
Enterprise Bonds	**65.47**	**16**	**14**	81.49	15	14
Total	**2,045.47**	**337**	**8**	2,257.64	329	8

Note: WIND, based on the data on the issuance date

Ranking of the Company's debt financing (corporate bonds + financial bonds + enterprise bonds) from 2018 to 2022



In addition, the Company actively implemented the requirements of serving national strategies, expanded and designated projects for serving national strategies and featured business types. During the Reporting Period, most of proceeds from bond issuance was applied in key areas such as technology and innovation, dual-carbon development and inclusive finance. We actively helped to broaden financing channels for medium-, small- and micro-sized enterprises.

In terms of overseas debt financing business, the Company increased its project development and cross-border business synergy and completed 116 overseas bond projects during the Reporting Period, with substantial growth in underwriting scale, number of underwriting projects and industry ranking compared with the previous year. The number of Chinese-funded USD debt underwriting ranked fifth among Chinese brokerages and the amount of Chinese-funded USD debt underwriting ranked seventh among Chinese brokerages.

c. Financial advisory

In terms of domestic financial advisory, during the Reporting Period, the Company disclosed 15 financial advisory projects for the first time, ranking the fifth in the industry in terms of number of transactions; and completed M&A and restructuring for 3 financial advisory projects. (WIND, 2022)

In terms of overseas financial advisory, during the Reporting Period, the Company actively participated in financial advisory projects related to mergers and acquisitions, and added nearly 20 new financial advisory projects.

Outlook for 2023:

In 2023, with the speeding up of the comprehensive registration system reform, the investment banking business will usher in an important period of strategic opportunities. Higher requirements will also be put forward for investment banking business. The Company will accelerate the transformation from traditional project-focused investment banking business model to customer-focused business model, and firmly establish the “customer-centric” service tenet. Adhering to the business philosophy of “simple finance, achieving dreams”, the Company, with extensive capital market experience, will continue to build resource integration capabilities, and enhance the effectiveness of the collaborative model of “industry research + production research + investment banking” to comprehensively consolidate comprehensive capabilities in terms of capital, pricing, sales, collaboration, risk control, technology, etc., and to serve the life cycle comprehensive financial service needs of customers. The Company will continue to seize the opportunities brought by the interconnection of domestic and foreign markets and promote its internationalization and domestic and foreign integration strategy, and build a large investment banking ecosystem of the entire industry chain. It will proactively respond to national policies, serve national strategies, help the development of the real economy, and give full play to the role of a state-owned financial enterprise.

(2) *Principal investment business*

Market environment:

In 2022, in the face of severe and complex domestic and overseas situation and the shock of multiple factors beyond expectation, the domestic capital market showed greater volatility. During the Reporting Period, the STAR 50 Index dropped 31.35%, and the "fundraising, investment, management and withdraw" of the domestic equity investment market were greatly affected. With the continuous construction and improvement of multi-level capital market, the in-depth reform of registration system of STAR Market and ChiNext Board, withdraw channels for PE/VC have been further expanded and project turnover has been further accelerated, which has nurtured greater development prospects and opportunities in the field of equity investment. Besides, a series of policies to support the development of small and medium-sized enterprises featured by "specialization, refinement, specialization and novelty" have been launched. Under the new cycle of "technology-industry-finance", brokerage firms focused on diversified financing methods to serve the high-quality development of the real economy, and the importance of brokerage firms' principal investment business is increasing day by day.

Operating measures and results:

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

Based on the new situation and new requirements of the 14th Five-Year Plan period, the Company focused on the capital market and securities business and steadily launched its investment strategy, fully utilized its integrated financial advantages and strategic synergies, continuously enhanced its ability to serve national strategies, continuously deepened its business transformation and development, further improved its integrated financial service system featuring "investment + investment banking", and enhanced the market competitiveness of its principal investment business.

Hongyuan Huizhi continued to increase customer services, continuously explored the innovative direction of investment business, established and improved a normalized synergetic cooperation system. The new investment projects for the year increased steadily. Based on the REITs policy, it built a business system for the whole industry chain, and actively placed three strategic placement investments; deepened its services for the real economy, and continued to expand its distribution of small, medium and micro-sized enterprises, with new investment and financing support reaching more than RMB1.6 billion.

Shenyin & Wanguo Alternative Investment added 12 new investment projects with a new investment scale of RMB374 million, including 4 strategic placement projects in STAR Market with an investment amount of RMB223 million. As of the end of the Reporting Period, one of the equity investment projects has been listed and one has been considered and approved by the Listing Committee. The performance of integrated financial services was increasingly significant.

Outlook for 2023:

In 2023, the Company will continue to build an integrated financial service system featuring "investment + investment banking", fully serve national strategies, deeply explore investment opportunities in the industrial chain, actively explore the investment business model that integrates with the securities business, realize the synergy of investment business and securities business, and continuously improve the profit contribution and stability of the investment business.

2. Personal Finance Business

The personal finance business of the Company 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 segment of the Company recorded total revenue and other income of RMB11,227 million.

(1) Securities brokerage business

Market environment:

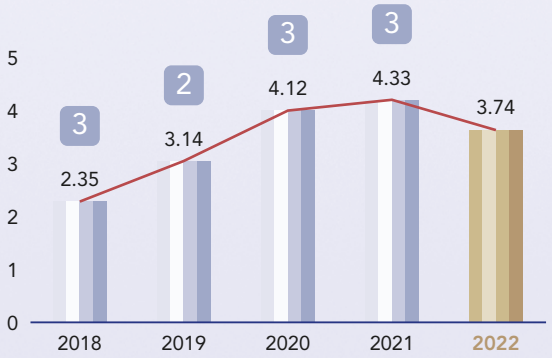
In 2022, the overall capital market retreated, with the SSE Composite Index, SZSE Component Index, ChiNext Price Index dropped by 15.13%, 25.85% and 29.37% respectively (WIND, 2022). The market trading declined compared to 2021, the annual turnover in Shanghai and Shenzhen markets amounted to RMB224.5 trillion, a decrease of 13.0% year-on-year (The People's Bank of China, 2022). During the Reporting Period, securities firms continued to promote the digital marketing service model based on their own resources, continuously optimized their customer channels and continued to improve their service to its existing customers. They continued to strengthen the use of big data to explore the depth of customer services, and continuously increased intelligent services to expand the breadth of the customer base. Besides, through centralized processing of information, they continuously improved the timeliness, accuracy and effectiveness of investment advisory services. Each brokerage firm grasped the segmented market, did a good job in client classification and segmentation, and their transformations of wealth management business began to bear fruit. In the industry, asset allocation service has become the first demand of high net worth clients of securities firms, and the wealth management business of securities firms has gradually upgraded from providing asset allocation service to clients to charging management fees and consultancy fees in the buyer-side investment advisory model, and their own buyer-side investment advisory brand has been actively shaped, and the upgrading and transformation of the securities wealth management industry has been continuously deepened.

Operating measures and results:

With the goal of "progressing while maintaining, refining while progressing", the securities brokerage business of the Company actively strengthened its ability to acquire customers and investments, improved the standardized retail customer service system, solidly provided basic services, improved comprehensive service capabilities, deepened and improved our wealth management system, continued to promote the transformation of our wealth management business, and achieved high quality development of our brokerage business. As at the end of the Reporting Period, client's securities under the custody of the Company amounted to RMB3.74 trillion, ranking top in the industry; the net income from our agency trading business amounted to RMB3.382 billion. The number of new customers increased by 6.17% compared to the same period last year. During the Reporting Period, the Company newly obtained the first batch of qualifications for personal pension marketing agent, further enriched the Company's wealth management products and services system, optimized client structure and enhanced client loyalty.

Market value of client's securities under the custody Ranking in the industry

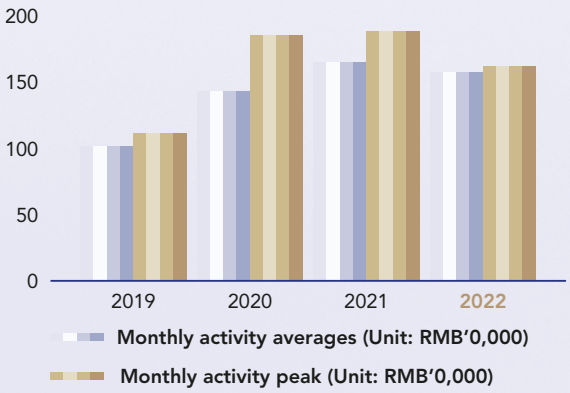
Unit: Trillion Yuan Currency: RMB



Notes:

1. The data from 2018 to 2021 is derived from China Securities Association and based on specialized consolidated revenue basis.
2. The data in 2022 is the internal statistics of the Company and based on specialized consolidated revenue basis.

Average monthly activity of customers on mobile trading client side



Note:

Users who have activated once or more during the month are considered as active users for the month.

Besides, the Company further increased its financial technology-empowerment efforts in its securities brokerage business. The Company actively explored the application of artificial intelligence to retail customer services. The Company has started the construction of a new generation of mobile terminal – Shencai Youdao APP, which makes full use of the power of financial technology, focuses on digitalization and intelligence, and combines the Company's characteristic business development to form a digital operation capability system so as to provide customers with a full range of services.

In addition, in order to facilitate customers in Hong Kong, Macau and Taiwan to invest in the A-share market and better serve the construction of Guangdong-Hong Kong-Macau Greater Bay Area and national strategies, in 2022, the Company launched an off-site account opening and business processing system for customers in Hong Kong, Macau and Taiwan. Customers in Hong Kong, Macau and Taiwan can proceed the A-share account opening through Shenwan Hongyuan Big Winner APP. It also supports self-service personal information amendment and business opening of GEM, STAR Market, Hong Kong Stock Connect and Beijing Stock Exchange for customers in Hong Kong, Macau and Taiwan. Based on the internal statistics of the Company, upon the launch of the off-site account opening system for customers in Hong Kong, Macau and Taiwan, the percentage of off-site account opening for customers in Hong Kong, Macau and Taiwan has reached 95.5%, which has basically replaced the original offline counter opening method and greatly improved the account opening experience for customers in Hong Kong, Macau and Taiwan.

Outlook for 2023:

In 2023, the Company will follow the trend of large wealth management in the industry; transform to a wealth management model with focus on asset allocation and value-added, investment advisory services and financial technology; build core competitiveness in high-quality customer services; and establish a balanced and sustainable wealth management business model. The Company will continue to strengthen the construction of online and offline channels, enhance customer experience and service efficiency, strengthen financial technology empowerment, and continuously enhance the accessibility and convenience of financial services; comprehensively improve the asset allocation capability of investment advisors, continue to optimize service quality, and shift from sell-side sales to a buy-side investment advisory model with asset allocation as the core and win-win situation for multiple parties. The Company also will take multiple measures to promote the Company's wealth management transformation to go deeper and more practical; and build a distinctive wealth management brand of Shenwan Hongyuan.

(2) *Futures brokerage business*

Market environment:

In 2022, under the complex macro environment including downward pressure on the economy, the differentiation of domestic and foreign monetary policies and the expansion of commodity price fluctuations, the demand for risk management of industries and financial institutions has risen, and the risk management function of futures market has continued to present. Affected by the Russia-Ukraine conflict, the Fed's interest rate hike, the intensified volatility of capital markets, and coupled with the impact of several adverse factors, in 2022, the cumulative volume of the futures market nationwide was 6.768 billion lots, and the cumulative turnover was RMB534.93 trillion, a decrease of 9.93% and 7.96% year-on-year, respectively. (China Futures Association, 2022)

Operating measures and results:

The Company carries out futures brokerage business through Shenwan Futures and Hongyuan Futures.

In 2022, with focus on "gathering consensus, consolidating foundation, deepening transformation, and striving for excellence", and main tasks of solidifying the client base, building a large institutional business model, promoting innovative business transformation and revenue enhancement, Shenwan Futures promoted the business coordinated development between securities companies and futures companies, improved service capabilities for key regional industries, institutions and high-net-worth customers, enhanced the business coverage capability of branches, strengthened the overall market competitiveness, and continuously increased business scale. In 2022, the cumulative volume of Shenwan Futures was approximately RMB155 million lots, an increase of 12.67% year-on-year. The average daily size of customer equity for the year was RMB32.791 billion, an increase of 43.39% year-on-year; the average market share of equity at the end of the month was 2.35%, an increase of 0.21 percentage points year-on-year; the client equity size at the end of the year was RMB29.748 billion, an increase of 11.3% year-on-year. During the Reporting Period, Shenwan Futures won the "Outstanding Contribution to the Economy of Pudong New District" awarded by Shanghai Pudong New District People's Government, "Excellent Case of Futures Operation Institution Serving Small and Medium Enterprises" and "Excellent Case of Party Building of Futures Company" by China Futures Association, and "Outstanding Member Award" by three major commodity exchanges and China Financial Futures Exchange. It received more than 70 awards from government departments, exchanges, associations and media, and its industry status and brand image have been continuously enhanced.

Hongyuan Futures actively promoted the quality and efficiency of its brokerage business, achieved an average daily client equity of RMB14.5 billion, an increase of 25% year-on-year, the average daily equity ratio of corporate clients accounted for over 65%. It further optimized the structure of risk management business, steadily promoted the development of market-making and over-the-counter derivatives business, and increased the number of market-making products to 15; it leveraged its professional advantages to precisely serve the real economy, served more than 1,200 industrial clients and carried out 27 "insurance + futures" projects with an underwriting value of RMB400 million.

Outlook for 2023:

The Futures and Derivatives Law of the People's Republic of China has been officially implemented, which further consolidated the foundation of market rule of law and provided a broader development space for the opening up and high-quality development of the futures market. With the rapid development of the futures industry, the market will continue to heat up and competition will intensify. In 2023, the futures brokerage business of the Company will continue to implement the development concept of "vigorously developing capital-light business, developing high-quality capital-heavy business", highlight the function of "one base and two wings" business system with agency business as a base and risk management business and wealth management business as two wings, consolidate the basic foundation of agency business, deepen the construction of "institution + wealth + asset management" platform, build a diversified derivatives service system, actively explore the new model of integrated financial business, promote the change of customer, business and revenue structure, enhance the business competitiveness and brand influence with the characteristics of the Company, and build us into a first-class futures and derivatives service provider.

(3) Margin financing and securities lending business

Market environment:

In 2022, with the weakening of market trading activity, the demand for margin financing and securities lending shrank simultaneously. As of the end of 2022, the market balance of margin financing and securities lending business was RMB1,540.392 billion, a decrease of 15.93% from the end of the previous year. (WIND, 2022)

Operating measures and results:

In 2022, the Company consistently implemented the customer-centric concept, continuously optimized the customer service system, comprehensively promoted the integrated services for corporate customers, institutional customers and high-net-worth customers, and continuously strengthened its institutional transformation. Through several measures including system revision, risk self-assessment, compliance self-examination and process optimization, the Company strengthened its business risk control management, improved its operational efficiency, and firmly held the bottom line of business compliance, and further improved the risk control of its margin financing and securities lending business. As of the end of the Reporting Period, the balance of the Company's margin financing and securities lending business reached RMB59.089 billion. The balance of margin financing business was RMB58.096 billion and the balance of securities lending business was RMB993 million (based on the data of securities company' regulatory reporting). The average maintenance guarantee ratio of the Company's overall margin financing and securities lending business was 255.07%.

During the Reporting Period, the Company upgraded its business with data and technology, and promoted the launch of "Securities Trading 1.0", which realized the online management of the whole process of the margin financing and securities lending business, bridged the upstream and downstream information barriers and captured trading opportunities in real time. With its good technology leadership effect from the perspective of demonstration, innovation and benefit, "Securities Trading 1.0" won the Outstanding Ecological Achievement Award in the Third Anniversary of Shanghai Financial Technology Center Construction, and was officially included in the "White Paper on Shanghai Financial Technology Development".

Outlook for 2023:

In 2023, the Company will further focus on customer needs, enrich and improve its business strategies, focus on strengthening the construction of its service system, and continue to enhance its professional service capabilities and financial technology application capabilities. The Company will promote the iteration of the "Securities Trading" platform and build a smooth, efficient and open securities source platform. The Company also will continue to optimize risk control measures, strengthen classification and stratification management, enhance the accuracy of risk control, and ensure the healthy and orderly development of business.

(4) Stock-backed lending business

Market environment:

Since 2022, the overall market size of the stock-backed lending business has still maintained a downward trend, and the scale of stock pledge by the controlling shareholders and substantial shareholders of listed companies has further decreased, however, the rate of decrease was narrower than in 2021. On the other hand, the overall risk in the stock-backed lending market has been further reduced. During the Reporting Period, in the face of the stabilizing market environment, market participants paid more attention to the risk prevention of stock pledge and generally adopted the strategy of "reducing scale and adjusting structure" to proactively adjust the positioning of stock-backed lending business.

Operating measures and results:

During the Reporting Period, in respect of the stock-backed lending business, the Company followed the business idea of "risk control and structure adjustment", further strengthened project risk management and achieved high-quality development of stock-backed business. As of the end of the Reporting Period, the stock-backed lending business funded with the self-owned funds of the Company has a balance of RMB4,652 million, representing a decrease of 20.83% from the beginning of the period. The Company has carried out the spirit of regulatory guidance and returned our stock-backed business to its origin of serving the real economy, provided a green channel for qualified financing projects serving national strategies as well as the micro, small and medium-sized financing projects; on the other hand, the Company further leveraged the role of the relief fund to help prevent financial risks and steadily promoted the exit of stock-backed projects.

Outlook for 2023:

With sufficient capital, wide range of business types and strong risk management capabilities, the Company will continue to take high-quality development as the direction, use the stock-backed business as an important tool to serve customers, strive to provide all-round comprehensive financial services to customers, and will serve the national strategy and the real economy in earnest.

(5) *Sales of financial products business*

Market environment:

In recent years, against the background of constructing a new pattern of domestic and international dual cycle and deepening capital market reform, the multi-level capital market has gradually developed and improved, and categories of investment have been expanded in an orderly manner. With the official implementation of the personal pension system during the year, the demand of residents for asset allocation has been further boosted. Providing investors with a better investment environment and market ecology is an important prerequisite for broadening residents' sources of property income, promoting their income growth and achieving common prosperity. Relying on strong capital strength, large securities companies give full play to the synergy of internal active management and comprehensive capabilities such as risk pricing, capital, risk control, sales, collaboration and technology, the trend of "stronger always strong" in the field of wealth management has further emerged. As a service method for investors' asset allocation, the ability to sell financial products has also gradually become one of the important criteria to measure the quality of securities companies' wealth management business.

Operating measures and results:

The sales of financial products of the Company include sales of financial products developed by ourselves and third parties, including mutual securities investment funds, private securities investment funds, trust plans, asset management schemes, structured notes, pledged quotation repurchase, and other financial products, etc.

In 2022, the Company fully implemented the concept of great wealth management, adhered to the mission of "finance for the people", and continued to promote the improvement of its own product performance, the improvement of product systems, the strong empowerment of product sales, and the prevention of compliance risks. By improving the scientific product research and evaluation system and the customer grading service system, we continued to provide customers with professional and multi-level product services.

During the Reporting Period, the financial products sold by the Company amounted to RMB399.909 billion in total, including: self-developed financial products of RMB355.829 billion, and agent sales of financial products developed by third parties of RMB44.080 billion.

In addition, the Company successfully obtained the first batch of qualifications for personal pension marketing agent. The Company grasped the first-mover advantage and comprehensively promoted the layout of personal pension business in multiple dimensions, including pension account system, product research and system construction, effectively enhanced the efficiency of business penetration and helped the development of pension as our third pillar.

Outlook for 2023:

In 2023, the Company will continue to focus on customers, devote itself to improve the long-term income and investors size, focus on strengthening the productization of advantageous business resources and on enhancing the competitiveness of its own products, and continuously enrich product reserves and supply; the Company will also strengthen the building of product research capabilities, give full play to the resource endowment of branch regions, increase the searching and screening for potential managers and high-quality products, and increase the introduction of voucher products; strengthen the building of asset allocation capabilities, and enhance the output capabilities of comprehensive wealth management solutions; in addition, the Company will comprehensively optimize the customer service system. With the personal pension business and fund investment as the focus, the Company will continue to enhance customer experience and sense of gain, continue to create value for customers, further achieve high-quality and sustainable development of product sales business.

3. Institutional Services and Trading Business

The institutional services and trading business include prime brokerage services, research and consultation, FICC sales and trading, equity sales and trading business as well as derivatives business. During the Reporting Period, the Company's institutional services and trading business segment recorded total revenue and other income of RMB14,967 million.

(1) Prime brokerage business

Market environment:

With the increasing demand for residents' asset allocation and the full implementation of new asset management regulations, various asset management institutions are competing on the same stage, showing different development trends. The scale of mutual funds and private equity funds has grown rapidly, and the trend of institutionalization and productization has been strengthened, and the demand for professional services kept increasing.

Operating measures and results:

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

In 2022, the institutional business of the Company utilized products to coordinate and integrate internal and external resources of the Company and focused on mutual funds, insurance, private equity funds, banks and large institutional customers, to provide them with a comprehensive package of financial services including research, products and transactions, striving to build a whole business chain of institutional business. Besides, relying on the strong research strength and brand influence of SWS Research, a controlled subsidiary of the Company, institutional customer resources have been continuously accumulated to boost the development of institutional business.

During the Reporting Period, the Company recorded revenue of RMB887 million from trading units leasing.

As for the PB System, the Company continued to strengthen personalized services for key institutional customers such as bank wealth management subsidiaries. As of the end of the Reporting Period, there were 1,298 customers with a total scale of approximately RMB252.009 billion. The "SWHYMatrix" high-speed trading platform continued to improve its functions and optimize its performance, and can provide institutional customers with rich functions and algorithms of trading terminal system. As of the end of the Reporting Period, the product scale of the "SWHYMatrix" high-speed trading platform of the Company reached RMB16.905 billion.

In terms of fund administration services, the Company built a personalized service system for managers based on its efficient and professional integrated fund management platform, providing them with full life cycle services for product custody and operation. As of the end of the Reporting Period, the Company newly added 496 funds under custody and operation services for mutual funds, private equity funds and private asset management plans. In particular, we ranked the tenth among brokerage custodians in terms of the number of new private equity funds under custody, further enhancing our industry position and brand awareness. In addition, the Company's custodian business line focused on building comparative advantages, formed a three-way synergy of internal coordination, independent marketing and operational optimization, and continued to promote high quality growth of the business. During the Reporting Period, the Company's fund operation services have passed ISAE 3402 international accreditation for five consecutive years, and our fund custody business has passed ISAE 3402 international accreditation for two consecutive years. With the increase in the number of products under our service and the expansion of scale, the further enrichment of the types of products and clients under our service, and the ability to carry out custodial business and comprehensive services competing for the first place, the Company has steadily improved its market recognition.

Outlook for 2023:

In 2023, the Company will follow the trend of institutionalization in the market, focus on its platform-driven role, take advantage of its full license, and increase its layout and investment, conduct in-depth research on customer needs, improve the professional and intelligent service level of the institutional business, further develop new customer markets, expand customer coverage, promote efficient and high-quality development of institutional business, and strive to build a more competitive institutional ecosystem.

(2) Research and consultant business

Operating measures and results:

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

In 2022, SWS Research continued to practice the strategy of "Research + Investment + Investment Banking", thoroughly implemented the tasks of "six stabilizations" and "six guarantees", effectively leveraged its brand advantages, focused on the layout of in-depth research, further improved the depth of research and service level, and further enhanced its market influence. Firstly, served the national strategy with financial strength. During the Reporting Period, SWS Research was successfully elected as the vice chairman unit of China Green Carbon Foundation, further enhanced its influence in the field of "carbon neutrality" research; it continued to deepen ESG research, participated in the compilation of ESG industry standards such as "General Rules for Corporate ESG Information Disclosure" and "General Rules for Corporate ESG Evaluation", helped Chinese enterprises to standardize ESG information disclosure. It was ranking the first in the 2022 New Fortune Best ESG Practice Research Institute. It has served the national strategy of "specialization, refinement, specialization and novelty", cooperated with regulators to study and establish a comprehensive, full-chain industrial financial service system, and promoted the high-quality development of small and medium-sized enterprises, especially those "specialization, refinement, specialization and novelty" enterprises specializing in key links of the industrial chain. Secondly, given full play to the research advantages, promoted the development of the industry and expanded its brand influence. The Company provided a wide range of subject services to government agencies and launched three major research series based on the concerns of local governments and hot issues in regional economic development; maintained excellent performance in authoritative evaluations and was the only brokerage firm in the industry that has won the heavyweight group award of "Most Influential Research Institution" and "Local Gold Medal Research Team" for 20 consecutive times. Thirdly, the research planning has consolidated its established brand strengths through a multi-faceted approach. The Company focused on seven major research topics, including "carbon neutrality, specialization, refinement, specialization and novelty, new infrastructure, innovative consumption, digital economy, common prosperity, and the 14th Five-Year Plan". The Company also launched a number of activities, including the "Experience of Homecomings", several large-scale strategy conferences, digital economy high-end exchange activities, foresight series conference call of 2022 first quarterly report, and a series conference call of star analyst about 14th Five-Year Plan, which attracted comprehensive coverage by mainstream financial media and were recognized by the market and clients. For three consecutive years, the Company and CCTV have jointly prepared and published the "STAR Market White Paper", actively fulfilled the dual missions of serving the strategy of science and technology innovation in the capital market and leading the comprehensive registration reform of share issuance.

Outlook for 2023:

In 2023, the Company will continue to focus on research, actively support the development of business lines internally, maintain the influence of seller research externally, focus on the current key tasks, and continue to enhance decision-making influence and industry influence.

(3) Proprietary trading

The proprietary trading business of the Company continued to refine and implement the strategic goal of "trading investment bank", and insisted on "non-directional, low volatility, absolute return" as the target for carrying out principal investments. The Company insisted on strengthening the cross trade as well as "promoting lightness with heavy, integrating lightness with heavy", focused on the development direction of "lightweighting" and "digitalisation", and empowered the Company to develop with high quality and stability.

① FICC sales and trading business

Market environment:

In the first three quarters of 2022, against the backdrop of weak economy, market liquidity was abundant in the narrow sense, and yields on short-term bonds such as three-year treasury bonds and government bonds fell to lower levels. Long-term interest rates oscillated in a narrow range, while term spreads remained high and credit spreads compressed to low levels in the "asset shortage" market. In the fourth quarter, the "strong expectations" of an economic rebound led to a rapid adjustment in the bond market, credit spreads widened significantly to a high point since 2020 as negative feedback from wealth management redemptions increased.

Operating measures and results:

The FICC sales and trading business of the Company relies on traditional fixed income investment transactions, and strives to build a strong investment and research platform. From the macro level, through a unified perspective, the Company analyzed the cycle rotation of assets from top to bottom, and realized the full coverage of multiple varieties based on the perspective of major asset allocation. Besides, the Company is actively transforming into the cross-trade derivatives business in order to create a complete FICC business chain.

During the Reporting Period, the Company proactively seized market opportunities to steadily engage in fixed-income investments, insisted on risk control and structure adjustment, and steadily promoted the transformation of investment style. In terms of traditional self-operated bonds, as the Company's basic business, its strategic trading performance was mature. In the volatile market, the Company seized the opportunity of the volatile market, used interest rate derivatives to flexibly manage the risk of portfolio exposure. In terms of strategic trading, the Company flexibly grasped the opportunity of portfolio trading, and expanded quantitative trading. Besides, the Company actively promoted the "lightweighting" strategic transformation represented by cross trade. Our investment advisory business leaped to the top five in the industry from a zero start. Our options business continued to enrich its product structure, our income swap business further enhanced its ability to achieve diversified trading objectives, our structured notes business developed rapidly, our quotation repurchase business operated steadily, our market-making business proceeded in an orderly manner, and our credit derivatives business achieved a breakthrough in its business model and scale. We have further promoted various business innovations, during the Reporting Period, we realized the implementation of U.S. Treasury bond futures trading; carried out the first over-the-counter interest rate option transaction with entity enterprises and private equity funds respectively, and realized the expansion of the scope of our client base; opened up the retail counter issuance channel, provided listed companies and retail clients with a wealth linked to FICC-type targets wealth management tools; implemented the product model of "non-pledged exchange public bonds + credit protection tools" on the exchange, achieved a breakthrough in the business of exchange-traded credit protection instruments and successfully facilitated the secondary circulation of corporate bonds.

In addition, the Company fulfilled its social responsibility as a central enterprise, and achieved good results in serving the national strategy, "carbon neutrality and carbon peak" and "six stabilizations" and "six guarantees". During the Reporting Period, the Company steadily fulfilled its market-making obligations, protected market liquidity, actively supported infrastructure construction, and as the one of the first batch of liquidity providers for green public REITs, providing liquidity services for 23 products in the whole market and ranking first in the whole market in terms of the number of market-making. The Company actively participated in market-making transactions of special bonds such as government bonds and small and micro bonds, provided continuous liquidity support to the market and fulfilled the role of "finance services to the real economy". Besides, the Company insisted on "finance services for the real economy", and used financial derivatives to provide precise solutions for real enterprises.

In terms of bond sales and trading, the Company has given full play to the advantages of customer resources, seized market opportunities, and continuously intensified its support to serve the national strategies, assist the real economy, and serve the micro-, small and medium-sized enterprises. By virtue of the professional sales advantages of local government bonds and special varieties of bonds sales, the Company assisted local governments in reducing financial pressure, alleviating the problems of financing difficulties and high financing costs of the micro-, small and medium-sized enterprises, and effectively supported the construction of inclusive financial system. During the Reporting Period, the Company's inter-bank sales business scale and the local debt sales scale ranked among the top in the market.

During the Reporting Period, the Company was newly qualified as the one of the first batch of core dealers of CDX contracts on the Shanghai Stock Exchange and Shenzhen Stock Exchange.

Outlook for 2023:

In 2023, the FICC business of the Company will continue to implement the "three profit curves" strategy idea, the Company will consolidate the first profit curve based on multi-strategy bonds, consolidate the investment research in fixed income, continue to improve the profitability of the self-operation capacity of fixed-income business; accelerate the layout of the second profit curve including client trading and investment advisory business, build benchmark products, continue to expand integrated financial services; and insist on exploring the third profit curve of multi-asset and multi-strategy to create a "commodity industry chain" and achieve major asset class allocation of the portfolio. The Company will strive to achieve excellent investment business results by consolidating traditional leading businesses, developing characteristic and advantageous businesses and cultivating innovative businesses.

In terms of bond distribution business, the Company will continue to adhere to the orientation of customer demand and develop in a coordinated way, to transform into the "three major growth poles" represented by traditional sales, comprehensive financial services and cross trade business, and empower the "fixed-income industry chain" in an all-round way.

② Equity sales and trading business

Market environment:

In 2022, due to the comprehensive impact of internal and external environment such as the geopolitical conflicts and the pace of interest rate hike by the US Federal Reserve, the equity market showed a volatile trend as a whole, various sectors of the A-share market showed a characteristic of structural differentiation and accelerated rotation, with alternating interpretation of value growth, and the index hit bottom twice and rebounded twice. As of the end of 2022, the SSE Composite Index, the SZSE Component Index, the ChiNext Price and CSI 800 declined by 15.13%, 25.85%, 29.37% and 21.32% respectively during the year.

Operating measures and results:

In 2022, the equity sales and trading business of the Company accelerated its business transformation. We implemented refined risk management measures around the reform line of transforming portfolio assets to "non-directional, low volatility and absolute return". On the basis of insisting on rebuilding the "three cornerstone business models" of quantitative hedging business, enterprise finance business and equity market-making business, we significantly increased the proportion of neutral asset allocation and continued to optimize the major asset allocation structure by constructing a multi-asset, multi-strategy portfolio. During the Reporting Period, the Company newly obtained the qualification of listed securities market maker, and was approved as one of the first batch of market makers on the STAR Market, fund market makers and market maker of lending business on the STAR Market, further enriching our market making business chain.

Outlook for 2023:

In 2023, the equity sales and trading business of the Company will continue to deepen the reform of "quality-based allocation and efficiency-based supply" and rely on the three cornerstone business models of quantitative hedging, enterprise finance and equity market-making to optimize the compliance and risk control operation and management mechanism through the empowerment by the buyer's investment research system, to create a three-dimensional securities investment and trading system. We will accelerate the optimization of asset structure, and lead business development with financial technology. We will determine the pace of market making business based on business model and business value, strengthen the business chain of private placement, and continue to push the reconstruction of the "three cornerstone business models" to a deeper level.

③ Derivatives business

Market environment:

In 2022, due to the intensified volatility of global capital market and commodity market, the use of derivative instruments by institutional investors and real enterprises further increased considering asset allocation and risk management. The OTC derivatives trading remained high degree of activity, the OTC options scale grew rapidly, the demand for cross-border derivatives business grew rapidly, and the business scale reached a new high. With reference to the volume of developed overseas capital markets and the scale of derivatives, the domestic derivatives business still has huge development potential. With the vigorous development of the derivatives business, the implementation of industry policies has accelerated. The Futures and Derivatives Law of the People's Republic of China was officially promulgated in April 2022, which clarifies the legal status of the derivatives business, and provides legal protection for the long-term healthy development of the derivatives business and better serving the real economy.

Operating measures and results:

In 2022, the OTC derivatives business of the Company maintained competitive advantages, and the new and existing scale stably ranked at the forefront of the industry. Based on the professional advantages of derivatives pricing and trading, the Company insisted on achieving high-quality development in serving the real economy. The Company used innovative financial instruments to help stabilize the price and supply of commodities, and actively served the investment and financing and risk management needs of small and medium-sized enterprises featured by specialization, refinement, specialization and novelty as well as agricultural enterprises.

In terms of OTC businesses, through investment and research empowerment and fintech empowerment, the Company continuously improved pricing and hedging trading capabilities, adopted refined functional division to quickly respond to customer needs, continued to provide differentiated product creation and design to customers, and further expanded the scale of OTC options business. Besides, the Company completed the conversion of DMA business model within the Reporting Period, and improved the competitiveness of swap business, which helped the Company to build a comprehensive ecosystem of institutional services. The cross-border business continued to achieve double growth and the industry ranking continued to rise.

In terms of on-the-exchange market-making businesses, during the Reporting Period, the Company added a number of market-making business qualifications, comprehensively optimized the market-making system and strategy iteration, and realized a high degree of automation of market-making transactions.

In terms of quantitative businesses, the Company independently researched and developed quantitative strategy indexes, and achieved dynamic and decentralized allocation in different types of assets such as global stocks, bonds and commodities. The Company formed continuous strategic output externally and accelerated product transformation to meet the customer's asset allocation needs, and has cooperated with many financial institutions.

During the Reporting Period, the Company obtained a number of important new business qualifications for derivative business:

Type	Exchange	Market-making product	Time
Equity	Shanghai Stock Exchange	CSI 500ETF (510500) options	Obtained qualification of main market maker in September 2022
	Shenzhen Stock Exchange	ChiNext ETF (159915) options	Obtained qualification of main market maker in September 2022
		CSI 500ETF (159922) options	Obtained qualification of main market maker in September 2022
		SZSE 100ETF (159901) options	Obtained qualification of main market maker in December 2022
	China Financial Futures Exchange	SSE 50 Stock Index options	Obtained qualification of main market maker in December 2022
		CSI 1000 Stock Index options	Obtained qualification of main market maker in July 2022
Commodity	Guangzhou Futures Exchange	Industrial silicon options	Obtained qualification of main market maker in December 2022
	Shanghai Futures Exchange	Aluminum options	Obtained qualification of main market maker in April 2022
	Zhengzhou Commodity Exchange	Cotton options	Obtained qualification of general market maker in March 2022, and qualification of main market maker in July 2022
		Rapeseed meal options	Obtained qualification of general market maker in March 2022, and qualification of main market maker in July 2022
		Sugar options	Obtained qualification of general market maker in March 2022
		PTA futures	Obtained qualification of main market maker in July 2022
		Peanut options	Obtained qualification of main market maker in August 2022
		Vegetable oil options	Obtained qualification of main market maker in August 2022
	Dalian Commodity Exchange	Soybean No. 2 options	Obtained qualification of main market maker in August 2022
		Iron ore futures	Obtained qualification of main market maker in October 2022

Outlook for 2023:

In 2023, the Company will continue to enhance its core competitiveness in products, pricing and trading, and strive to build an integrated platform for on-the-exchange and OTC derivatives trading and product creation and design. The Company will continue to use derivatives to provide effective risk management, wealth management and asset allocation tools to the market, and to provide differentiated, one-stop comprehensive financial service solutions to institutions and professional investors. In terms of derivatives business, the Company will continue to deepen the service to national strategic development. The Company will strengthen the core competitiveness of pricing and hedging transactions in light of the market environment, improve and enrich the product system, continue to promote the research and development of product innovation structure, meet the diversified allocation and transaction needs of customers, and further expand the scale and profitability of cross-border businesses. In terms of on-the-exchange businesses, the Company will continue to optimize the full link performance of the market-making system and obtain market-making qualifications of more varieties. In terms of quantitative business, the Company will continue to enrich the research and development of strategic index, expand the scale of index productization, and form the brand effect of self-developed characteristic index. The Company will further strengthen the construction of talent team in derivatives business, strive to play the leading advantages of derivatives business, and coordinate the development of the Company's comprehensive business.

4. Investment Management Business

The investment management business of the Company 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 RMB1,816 million.

(1) Asset management business

Market environment:

The year of 2022 was the first year of the implementation of new regulations on asset management. The asset management industry returned to its roots, the competitive barrier was broken, and the regulatory policy was harmonized. The asset management of securities traders not only faced the horizontal competition, but also faced the fierce competition from bank financing, mutual funds, private funds, trusts, etc. In 2022, the CSRC issued the Opinions on Accelerating the Promotion of High-quality Development of Mutual Fund Industry and the Measures for Supervision and Administration of Managers of Publicly Offered Securities Investment Funds, which had a strategic impact on the asset management industry of securities traders and opened up a new competitive track. The future public offering layout and business "fund ratio" of the asset management of securities traders will become important factors affecting the competition pattern.

Operating measures and results:

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

In 2022, for asset management business, the Company continued to focus on professional reforms and enhancement and transformation of active management capabilities, and the scale of various products increased significantly. As at the end of 2022, the asset management scale of the Company increased by 6.30% compared with the end of 2021, of which the asset scale under active management was RMB189.946 billion, representing an increase of 35.49% compared with the end of 2021 (excluding special items). The construction of the buy-side investment and research system continued to be steadily promoted, and the level of product investment management and investment performance was significantly improved. The effort on product creation increased significantly. The scale of new collective products increased by 5.5 times compared with the end of 2021. The derivative products continued to be issued against the trend, with existing scale of nearly RMB3 billion. The Company successfully completed the reconstruction and operation for large-scale collective products participating in mutual funds, injecting new vitality into the asset management business. The strategic placement project continued to be issued, realizing the implementation of the first central enterprise project and the first ChiNext Board project, and enriching the business category. The Company ranked ninth in the market in terms of the number of ABS underwriting and made a breakthrough in the field of consumer finance. A large number of projects in the investment advisory business have been implemented, with a net increase of over RMB10 billion. The channel expansion has been accelerated, and state-owned joint-stock banks, financial subsidiaries and core Internet channels have achieved full coverage. During the Reporting Period, the Company fully promoted the application for the establishment of the asset management subsidiary and obtained the approval for the establishment on October 28, 2022. On December 20, 2022, Shenwan Hongyuan Securities Asset Management Co., Ltd. (申萬宏源證券資產管理有限公司) has obtained the Business License for Enterprise Legal Person issued by Shanghai Administration for Industry and Commerce.

The scale of asset management of the Company:

Unit: '00 million Currency: RMB

	Scale of asset management	
Name of business type	**December 31, 2022**	**December 31, 2021**
Collective asset management business	**1,051.73**	481.34
Single asset management business	**1,445.97**	1,851.86
Specific asset management business	**382.50**	376.30
Total	**2,880.20**	2,709.50

Note: Data is derived from regulatory sheet.

Outlook for 2023:

In 2023, as for the asset management business, the Company will take the establishment of the asset management subsidiary as an opportunity, adhere to the positioning of "all-asset" and "multi-strategy" operation, and return to the origin of the asset management business. The Company will consolidate and improve the investment and research system, and enhance the active management capabilities by benchmarking the leading enterprise and based on its own actual situation. The Company will further enrich the product portfolio, expand and optimize the sales network, and comprehensively deepen the construction of financial technology. The Company will improve various systems of the asset management subsidiary, and strictly control the bottom line of risk.

(2) Mutual fund management business

Market environment:

In 2022, the A-share market rose after restraining, and the mutual fund industry also experienced from market freezing point of issuance to the milestone moment of total number of fund products exceeding 10,000. The Opinions on Accelerating the Promotion of High-quality Development of Mutual Fund Industry was issued by the CSRC in the second quarter, which provides a clear "roadmap" for the high-quality development of the mutual fund industry. Furthermore, with the end of the transition period of new regulations on asset management, the asset management industry has comprehensively entered the era of net worth, and the residents' awareness of asset allocation has continuously improved. As of the end of 2022, all 156 mutual fund management institutions managed a total of 10,576 mutual funds, with a total net value of over RMB26.03 trillion (Asset Management Association of China, 2022). Mutual funds have become an important tool for preservation and appreciation of residents' wealth. Since the commencement of the pilot program of the public fund investment advisory business, the regulatory authorities have successively issued management rules to provide clearer and more detailed management requirements on business processes, technical specifications, compliance risks and other aspects, further promoting the high-quality development of the fund investment advisory industry. In addition, in 2022, the personal pension policies were introduced successively, and the allocation of mutual funds for personal pension officially entered the practice stage. The mutual FOF business is expected to speed up, and the importance of mutual fund as a tool to maintain and increase the value of residents' wealth has been further enhanced.

Operating measures and results:

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 2022, the Company implemented the concept of inclusive finance for wealth management, continued to expand the coverage of services, and build the core competitiveness of high-quality customer service by focusing on asset allocation and value-added, investment advisory services and financial technology. During the Reporting Period, the Company launched a new portfolio strategy of "Star Target Profit (星選目標盈)", to further increase the layout of medium and low risk portfolio strategies to meet the allocation needs of investors for wealth management of investors. As of the end of the Reporting Period, the mutual fund investment advisory business of the Company has a total of over 60,000 contracted clients; the per capita entrusted assets of existing customers reached RMB62,000; various portfolio strategies in 5 categories were launched. The accumulative reinvestment rate was over 69%. The average time for customers to use investment advisory services exceeded 639 days.

Relying on the continuous construction of the perfect key assumption platform integrating research, investment and risk control, SWS MU effectively played the role of "ski poles" of comprehensive risk management. The medium and long-term investment performance of the Company improved admist stabilization. In terms of the promotion of digitalization strategy, SWS MU officially launched the scene user interaction platform for various external users – Shen Xiaogu (申小顧). The platform provides targeted market interpretation and financial analysis services for external users such as terminal retail customers, high-net-worth customers, consignment channels, institutional customers and media/advertisers based on various user financial management scenarios, nurtures investors to establish correct asset allocation concepts, improves customers' experience of holding funds, and deepens customers' adhesion. In terms of product layout, during the Reporting Period, SWS MU issued a total of 17 mutual funds and 16 special account products, steadily promoted the product layout of the "beautiful life" and "new wealth management" series, striving to provide investors with better financial alternatives and wealth management products as soon as possible. In terms of innovative business, during the Reporting Period, SWS MU officially completed the implementation of fund investment advisory business and QDLP business. Among which, the fund investment advisory business officially launched 18 strategies, completed the contracts signed with over 7,300 clients. In terms of serving national strategies, SWS MU has given full play to the asset pricing function and the inclusive financial attribute. On the one hand, SWS MU actively matched the residents' savings with quality targets in line with the national strategies of "making China powerful through science and technology" and "specialization, refinement, specialization and novelty" in the process of active management, and completed the new launch of themed products of specialization, refinement, specialization and novelty during the year. On the other hand, SWS MU continued to promote the product layout of "carbon peaking and carbon neutrality", and completed the layout of three new products including green purity debt, carbon neutrality smart selection and new energy ETF connection during the year. Furthermore, the QDLP2 product of SWS MU successfully participated in the overseas RMB government bond investment, becoming the first overseas green bond investment through QDLP in the whole market.

Fullgoal Fund continued to promote the business development in a comprehensive and balanced manner, the advantages of full licenses were further strengthened. The three core businesses of mutual fund management including equity, quantitative and fixed-income businesses recorded good results in the medium and long run, and the special account and pension and other business fields also made significant progress. With the collaboration of REITs business, active and passive business, and smoothening of fund manager resources, the Company's internal collaboration and resource consolidation were performed in good, and the synergy between annuity and pension businesses will be further reflected in the future. As of the end of the Reporting Period, the total assets under management of Fullgoal Fund exceeded RMB1.37 trillion, including RMB853.8 billion of mutual fund management, ranking among the top in the industry successively.

Outlook for 2023:

In 2023, the Company will further focus on the main responsibilities and businesses, actively deploy the buy-side investment advisory business model, continue to play the advantages of financial technology, and deepen the intelligent investment advisory service system. The Company will aim at professionalism, digitalization and intelligence to comprehensively improve the intelligence of existing client-side, thereby creating a professional accompanying customer service model, and strive to improve customer experience and sense of gain. SWS MU will take full advantage of the first-mover opportunity as one of the 24 approved fund investment advisory pilot institutions in the mutual fund industry. With a focus on the development of digital empowerment platform for the functional management of the middle and back offices, SWS MU will promote the implementation of the digital strategy covering the front, middle and back offices, further improve the performance of retail business by means of continuous marketing and innovative channel development, and improve the overall competitiveness of institutional business.

(3) Private equity fund management business

Market environment:

In recent years, due to the rapid development of emerging industries which promoted the rise of private equity industry, coupled with continued support of policies for steady development of the private equity industry, the formation of benign circle ecology of "fundraising, investment, management and withdrawal" was accelerated. During the Reporting Period, the fundraising, investment and withdrawal were all affected by the changes in macro economy environment and fluctuating capital market.

According to the Asset Management Association of China, 8,725 new private equity and venture capital investment funds were filed in 2022, with the filing scale of RMB446.558 billion, decreased compared with the same period of the previous year.

Operating measures and results:
The Company carries out the private equity fund management business principally through Hongyuan Huifu and Shenyin & Wanguo Investment.

The Company deepened industry and regional focus, continued to reinforce the investment capacity of private equity funds, and strengthened the layout of scientific and technological innovation, green and low carbon. The Company steadily expanded quality asset reserves around the upstream and downstream resources of industrial leading customers, and actively played the comprehensive financial advantages to promote the integration of industrial chain and capital chain.

Hongyuan Huifu strengthened the layout of quality enterprises, refined post-investment management, actively promoted the entry of invested projects into the capital market, and completed the IPO review or issuance of three projects. It fully served the national science and technology self-improvement strategy, and completed the investment in 8 scientific and technological innovation enterprises. It initiated the establishment of the major industrial investment fund with a scale of RMB5 billion to actively assist the industrial transformation and upgrading of key regions.

By fully exerting the role of the private fund management platform of the company, Shenyin & Wanguo Investment strengthened the "investment + investment bank" linkage. It focused on the four investment tracks, i.e., intelligent manufacturing, TMT, medical health, new energy and new materials, and established a full range of equity investment funds including PE investment funds, industrial investment funds, FOFs, local government funds, M&A funds, private placement funds and mezzanine funds. Through "PE +" business models such as PE + industrial group and PE + government investment platform, it empowered the industrial group and government investment platform to expand the scale, build ecology and layout emerging industries, and improved integration capability of the industry to obtain better financial returns for customers. The size of managed funds increased during the Reporting Period amounted to RMB5.63 billion. As of the end of the Reporting Period, the total cumulative management scale exceeded RMB15 billion, and more than 60 enterprises were invested. During the Reporting Period, Shenyin & Wanguo Investment focused on key regions and high-quality assets in line with the strategic direction of national development, and made steady progress in the deployment of tier one equity funds. It established the Wenergy Dual-carbon Industrial M&A fund, Jiangxi Gongkong Shenwan Hongyuan Industrial Investment Fund of Specialization, Refinement, Specialization and Novelty, Changsha New Dynamic Venture Investment Fund, etc. to help the development of key industries and the economic development of key regions, and to promote the industrial upgrading of small and medium-sized enterprises featured by specialization, refinement, specialization and novelty.

Outlook for 2023:
In 2023, the Company will continue to actively respond to the national strategies, promote the establishment of funds featured by specialization, refinement, specialization and novelty, actively establish regional funds and enrich fund product lines. The Company will strengthen the collaborative work of "research + investment + investment banking", and clarify the core logic of regional and industry investment to realize high-quality fund investment.

(III) Business Innovation

In 2022, the Company increased its efforts on product and business innovation in four major business sectors, including enterprise finance, personal finance, institutional services and trading, investment management and other businesses. For details of business innovation, please refer to the "Principal Business Analysis" in this section.

V. ANALYSIS OF FINANCIAL STATEMENTS

(I) Analysis of Consolidated Statements of Profit or Loss

1. Composition of revenue

Unit: Thousand Yuan *Currency: RMB*

Item	2022	2021	Change in amount	Change in percentage (%)
Fee and commission income	**10,428,954**	12,391,668	-1,962,714	-15.84
Interest income	**9,842,835**	11,140,948	-1,298,113	-11.65
Net investment gains	**5,081,933**	10,354,605	-5,272,672	-50.92
Other income and gains	**6,221,971**	12,284,249	-6,062,278	-49.35
Total revenue and other income	**31,575,693**	**46,171,470**	**-14,595,777**	**-31.61**

In 2022, the Group achieved total revenue and other income of RMB31,576 million, representing a year-on-year decrease of RMB14,596 million or 31.61%, which included:

(1) Fee and commission income of RMB10,429 million, representing a year-on-year decrease of RMB1,963 million or 15.84%, mainly due to a year-on-year decrease of income from securities brokerage business.

(2) Interest income of RMB9,843 million, representing a year-on-year decrease of RMB1,298 million or 11.65%, mainly due to a year-on-year decrease in the interest income from margin financing and securities lending, securities-backed lending and financial instruments at fair value through other comprehensive income.

(3) Net investment gains of RMB5,082 million, representing a year-on-year decrease of RMB5,273 million or 50.92%, mainly due to impact of the net realised losses from disposal and unrealised fair value changes of financial instruments at fair value through profit or loss.

(4) Other income and gains of RMB6,222 million, representing a year-on-year decrease of RMB6,062 million or 49.35%, mainly due to a year-on-year decrease in income from commodity trading business.

2. Composition of expenses

Unit: Thousand Yuan Currency: RMB

Item	2022	2021	Change in amount	Change in percentage (%)
Fee and commission expenses	**1,895,349**	2,469,687	-574,338	-23.26
Interest expenses	**9,750,535**	10,136,131	-385,596	-3.80
Staff costs	**7,720,630**	8,241,507	-520,877	-6.32
Depreciation and amortization expenses	**749,507**	654,958	94,549	14.44
Tax and surcharges	**144,664**	182,986	-38,322	-20.94
Other operating expenses	**7,572,369**	13,549,099	-5,976,730	-44.11
Credit impairment losses	**1,424,144**	521,971	902,173	172.84
Impairment losses on other assets	**13,975**	117,007	-103,032	-88.06
Total expenses	**29,271,173**	**35,873,346**	**-6,602,173**	**-18.40**

In 2022, the Group had total expenses of RMB29,271 million, representing a year-on-year decrease of RMB6,602 million or 18.40%, mainly attributable to a decrease in other operating expenses, fee and commission expenses and staff costs, and an increase in credit impairment losses.

Which included:

(1) Other operating expenses of RMB7,572 million, representing a year-on-year decrease of RMB5,977 million or 44.11%, mainly due to a year-on-year decrease in the cost of commodity sales;

(2) Fee and commission expenses of RMB1,895 million, representing a year-on-year decrease of RMB574 million or 23.26%, mainly due to a year-on-year decrease in expenses for securities brokerage business and futures brokerage business;

(3) Staff costs of RMB7,721 million, representing a year-on-year decrease of RMB521 million or 6.32%, mainly due to a decrease in the cost of performance-based remuneration as a result of a decrease in the revenue;

(4) Credit impairment losses of RMB1,424 million, representing a year-on-year increase of RMB902 million or 172.84%, mainly due to an increase in the expected credit impairment losses provided on financial assets held under resale agreements and accounts receivable;

(5) Other expenses mainly included interest expenses, depreciation and amortization expenses and tax and surcharges.

(II) Analysis of Consolidated Statements of Cash Flows

As of December 31, 2022, the Group had cash and cash equivalents of RMB58,261 million, down by 7.20% as compared to RMB62,781 million as of December 31, 2021. In 2022, there was net cash outflow of RMB4,459 million for cash and cash equivalents, up by cash outflow of RMB29,700 million as compared to RMB25,241 million of the net cash inflow for 2021. Among these, the net cash inflow generated from operating activities in 2022 amounted to RMB31,465 million, up by inflow of RMB69,927 million as compared to the net cash outflow used in operating activities of RMB38,462 million in 2021, mainly due to a year-on-year decrease in net cash outflow of financial instruments at fair value through profit or loss, a year-on-year decrease in net cash inflow of financial assets sold under repurchase agreements, a year-on-year increase in net cash outflow of derivative financial instruments, and a year-on-year increase in net cash inflow of margin accounts receivable; the net cash outflow used in investing activities in 2022 amounted to RMB17,939 million, up by outflow of RMB49,980 million as compared to RMB32,041 million of the net cash inflow generated from investing activities for 2021, mainly due to a year-on-year increase in net cash outflow of acquisition of financial assets at fair value through other comprehensive income; the net cash outflow used in financing activities in 2022 amounted to RMB17,985 million, up by outflow of RMB49,648 million as compared to net cash inflow from financing activities of RMB31,663 million for 2021, mainly due to a year-on-year decrease in cash inflow of proceeds from issuance of long-term bonds, a year-on-year decrease in cash inflow of proceeds from issuance of short-term debt instruments and a year-on-year decrease in cash outflow of repayment of short-term debt instruments.

(III) Analysis of Consolidated Statements of Financial Position

Unit: Thousand Yuan Currency: RMB

	December 31, 2022		December 31, 2021		Increase/Decrease	
Item	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Non-current assets						
Property and equipment	**1,402,629**	**0.23**	1,353,552	0.23	49,077	3.63
Right-of-use assets	**899,563**	**0.15**	948,606	0.16	-49,043	-5.17
Investment properties	**47,980**	**0.01**	52,466	0.01	-4,486	-8.55
Other intangible assets	**291,293**	**0.05**	250,181	0.04	41,112	16.43
Interest in associates and joint ventures	**4,108,398**	**0.67**	4,512,058	0.75	-403,660	-8.95
Financial assets measured at amortized cost	**3,616,601**	**0.59**	3,045,522	0.51	571,079	18.75
Financial assets at fair value through other comprehensive income	**4,204,258**	**0.69**	6,429,530	1.07	-2,225,272	-34.61
Financial assets held under resale agreements	**3,916,685**	**0.64**	5,465,423	0.91	-1,548,738	-28.34
Financial assets at fair value through profit or loss	**14,589,206**	**2.38**	25,439,618	4.23	-10,850,412	-42.65
Refundable deposits	**26,517,378**	**4.33**	29,113,660	4.84	-2,596,282	-8.92
Deferred tax assets	**3,461,424**	**0.56**	2,570,403	0.43	891,021	34.66
Other non-current assets	**461,500**	**0.06**	106,700	0.01	354,800	332.52
Total non-current assets	**63,516,915**	**10.36**	79,287,719	13.19	-15,770,804	-19.89

Item	December 31, 2022 Amount	December 31, 2022 Percentage (%)	December 31, 2021 Amount	December 31, 2021 Percentage (%)	Increase/Decrease Amount	Increase/Decrease Percentage (%)
Current assets						
Accounts receivable	**5,248,559**	**0.86**	4,093,737	0.68	1,154,822	28.21
Other receivables and prepayments	**1,333,576**	**0.21**	3,244,016	0.54	-1,910,440	-58.89
Margin accounts receivable	**61,299,617**	**10.00**	76,296,755	12.69	-14,997,138	-19.66
Financial assets measured at amortized cost	**500,768**	**0.08**	1,976,042	0.33	-1,475,274	-74.66
Financial assets at fair value through other comprehensive income	**52,336,319**	**8.54**	33,319,677	5.54	19,016,642	57.07
Financial assets held under resale agreements	**13,523,679**	**2.21**	19,932,761	3.32	-6,409,082	-32.15
Financial assets at fair value through profit or loss	**264,429,834**	**43.13**	247,136,841	41.12	17,292,993	7.00
Derivative financial assets	**8,197,282**	**1.34**	2,800,300	0.47	5,396,982	192.73
Clearing settlement funds	**21,106,241**	**3.44**	15,261,942	2.54	5,844,299	38.29
Cash held on behalf of brokerage clients	**89,528,669**	**14.60**	86,622,841	14.41	2,905,828	3.35
Cash and bank balances	**32,095,566**	**5.23**	31,038,836	5.17	1,056,730	3.40
Total current assets	**549,600,110**	**89.64**	521,723,748	86.81	27,876,362	5.34
Total assets	**613,117,025**	**100.00**	601,011,467	100.00	12,105,558	2.01
Current liabilities						
Loans and borrowings	**1,719,395**	**0.35**	3,229,798	0.65	-1,510,403	-46.76
Short-term debt instruments issued	**22,052,001**	**4.44**	29,586,843	5.99	-7,534,842	-25.47
Placements from other financial institutions	**3,462,411**	**0.70**	4,366,725	0.88	-904,314	-20.71
Accounts payable to brokerage clients	**100,310,770**	**20.21**	104,738,359	21.20	-4,427,589	-4.23
Employee benefits payable	**2,030,490**	**0.41**	2,388,044	0.48	-357,554	-14.97
Other payables and accruals	**46,401,024**	**9.35**	31,448,358	6.37	14,952,666	47.55
Contract liabilities	**37,785**	**0.01**	140,220	0.03	-102,435	-73.05
Current tax liabilities	**132,484**	**0.03**	851,040	0.17	-718,556	-84.43
Financial assets sold under repurchase agreements	**153,494,134**	**30.92**	137,977,520	27.93	15,516,614	11.25
Lease liabilities	**370,363**	**0.07**	305,436	0.06	64,927	21.26
Financial liabilities at fair value through profit or loss	**5,500,999**	**1.11**	5,873,514	1.19	-372,515	-6.34
Derivative financial liabilities	**4,749,684**	**0.96**	7,309,855	1.48	-2,560,171	-35.02
Long-term bonds due within one year	**44,451,669**	**8.93**	42,947,167	8.70	1,504,502	3.50
Total current liabilities	**384,713,209**	**77.49**	371,162,879	75.13	13,550,330	3.65

Item	December 31, 2022 Amount	December 31, 2022 Percentage (%)	December 31, 2021 Amount	December 31, 2021 Percentage (%)	Increase/Decrease Amount	Increase/Decrease Percentage (%)
Non-current liabilities						
Long-term bonds	**106,612,891**	**21.48**	117,539,557	23.80	-10,926,666	-9.30
Non-current employee benefits payable	**3,953,295**	**0.80**	3,838,905	0.78	114,390	2.98
Deferred income tax liabilities	**5,387**	**0.00**	27,298	0.01	-21,911	-80.27
Lease liabilities	**555,643**	**0.11**	663,779	0.13	-108,136	-16.29
Financial liabilities at fair value through profit or loss	**–**	**–**	293,481	0.06	-293,481	-100.00
Other non-current liabilities	**596,907**	**0.12**	430,974	0.09	165,933	38.50
Total non-current liabilities	**111,724,123**	**22.51**	122,793,994	24.87	-11,069,871	-9.01
Total liabilities	**496,437,332**	**100.00**	493,956,873	100.00	2,480,459	0.50
Equity						
Share capital	**25,039,945**	**21.46**	25,039,945	23.39	–	–
Reserves	**39,855,701**	**34.16**	38,823,922	36.27	1,031,779	2.66
Retained profits	**30,149,298**	**25.84**	31,358,141	29.29	-1,208,843	-3.85
Total equity attributable to shareholders of the Company	**95,044,944**	**81.46**	95,222,008	88.95	-177,064	-0.19
Non-controlling interests	**21,634,749**	**18.54**	11,832,586	11.05	9,802,163	82.84
Total equity	**116,679,693**	**100.00**	107,054,594	100.00	9,625,099	8.99

1. As of December 31, 2022, the Group had total non-current assets of RMB63,517 million, representing a decrease of RMB15,771 million from the beginning of the year, mainly due to a decrease in financial assets at fair value through profit or loss of RMB10,850 million from the beginning of the year, a decrease in refundable deposits of RMB2,596 million from the beginning of the year, and a decrease in financial assets at fair value through other comprehensive income of RMB2,225 million from the beginning of the year. As of December 31, 2022, the Group had total non-current liabilities of RMB111,724 million, representing a decrease of RMB11,070 million from the beginning of the year, mainly due to a decrease in long-term bonds of RMB10,927 million from the beginning of the year.

2. As of December 31, 2022, the Group had total current assets of RMB549,600 million, representing an increase of RMB27,876 million from the beginning of the year, mainly due to an increase in financial assets at fair value through other comprehensive income of RMB19,017 million from the beginning of the year, an increase in financial assets at fair value through profit or loss of RMB17,293 million from the beginning of the year, and a decrease in margin accounts receivable of RMB14,997 million from the beginning of the year. As of December 31, 2022, the Group had total current liabilities of RMB384,713 million, representing an increase of RMB13,550 million from the beginning of the year, mainly due to an increase in financial assets sold under repurchase agreements of RMB15,517 million from the beginning of the year, an increase in other payables and accruals of RMB14,953 million from the beginning of the year, a decrease in short-term debt instruments issued of RMB7,535 million from the beginning of the year, and a decrease in accounts payable to brokerage clients of RMB4,428 million from the beginning of the year.

(IV) Status of Key Assets Overseas

Unit: Thousand Yuan Currency: HK$

Details of the assets	Formed reason	Total assets	Location	Operating model	Control measures to ensure asset security	Total revenue and other income	Net assets overseas/net asset of the Company	Whether there is significant impairment risk
Shenwan Hongyuan (International) Holdings Limited	Investment	26,786,365	Hong Kong	Wholly-owned subsidiary	The safety of assets is ensured through the Implementation Rules for the Management of Overseas Subsidiaries, etc.	719,266	3.88%	No

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

In 2022, there were no material changes in the scope of consolidation of the Group.

(VI) Changes in Significant Accounting Policies and Accounting Estimates

During the Reporting Period, the Company's accounting policies and accounting estimates did not change. For details, please refer to Note "3. Significant accounting policies" to the consolidated financial statements. There were no significant accounting errors requiring rectification occurred in the Company.

(VII) 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 Notes 19, 25, 27 and 38 to the consolidated financial statements.

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

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

(I) Financing Channels of the Company

The Company's major financing channels include interbank lending, bond repurchase, structured notes, corporate bonds, perpetual subordinated bonds, subordinated bonds, short-term corporate bonds, margin and securities refinancing, long- and short-term borrowings, gold lease 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.

(II) Analysis of the Structure of Long- and Short-term Liabilities of the Company

Unit: Thousand Yuan Currency: RMB

Item	December 31, 2022	December 31, 2021
Loans and borrowings	**1,719,395**	3,229,798
Short-term debt instruments issued	**22,052,001**	29,586,843
Placements from other financial institutions	**3,462,411**	4,366,725
Long-term bonds (including long-term bonds due within one year)	**151,064,560**	160,486,724
Total	**178,298,367**	**197,670,090**

In the above liabilities, RMB106,613 million had a financing period of more than one year while RMB71,685 million less than one year, accounting for 59.79% and 40.21% of the aforesaid debt, respectively. In addition to borrowings and debt instruments, the Company also raised funds through on-the-exchange and OTC repurchases. At the end of the Reporting Period, the balance of financial assets sold under repurchase agreements was RMB153,494 million, and the financing terms were all less than one year. 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.

(III) 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 of Shenwan Hongyuan Securities such as liquidity coverage ratio and net stable funding ratio were in compliance with regulatory standards.

(IV) 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, and has robust short-term and long-term financing capabilities.

VII. INVESTMENTS

(I) Interests in Associates and Joint Ventures

Unit: Thousand Yuan Currency: RMB

Investment during the Reporting Period	Investment in the same period of the previous year	Change (%)
4,108,398	4,512,058	-8.95

(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: Thousand Yuan Currency: RMB

Security type	Security code	Security abbreviation	Initial investment cost	Accounting measurement model	Beginning book value	Fair value changes included in profit and loss	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
Asset management scheme	113938	Baoying Jinyuanbao No. 10 Collective Asset Management Scheme	11,809,989	Fair value	8,789,367	130,913	–	2,800,000	311	130,602	11,719,970	Financial assets at fair value through profit or loss	Self-owned funds
Asset management scheme	113914	Rongtong Fund Shenwan Hongyuan Securities No. 1 Collective Asset Management Scheme	7,101,201	Fair value	7,554,887	15,442	–	700,000	1,215,427	9,416	7,054,902	Financial assets at fair value through profit or loss	Self-owned funds
Shares	300750	CATL	3,816,558	Fair value	1,166,376	-205,090	–	16,013,034	13,460,370	-371,678	3,513,950	Financial assets at fair value through profit or loss	Self-owned funds
Asset management scheme	390050	Zhonghai Juying Single Asset Management Scheme	3,051,873	Fair value	2,856,616	-44,593	–	5,700,000	5,474,505	58,702	3,037,518	Financial assets at fair value through profit or loss	Self-owned funds
Asset management scheme	113936	Baoying Jinyuanbao No. 9 Collective Asset Management Scheme	2,848,300	Fair value	1,934,928	62,208	–	905,000	–	62,208	2,902,136	Financial assets at fair value through profit or loss	Self-owned funds
Asset management scheme	SQP471	Caitong Securities Asset Management Zhixuan FOF No. 3 Single Asset Management Scheme	1,418,100	Fair value	1,168,860	86,853	–	327,000	–	86,853	1,582,713	Financial assets at fair value through profit or loss	Self-owned funds
Bonds	220013.IB	22 Interest-bearing Government Bonds 13	1,442,118	Fair value	–	-4,568	–	1,446,357	–	7,533	1,453,890	Financial assets at fair value through profit or loss	Self-owned funds
Mutual funds	004771.OF	HFT TianYi Money B	1,371,953	Fair value	1,062,556	–	–	1,110,558	801,161	10,738	1,371,953	Financial assets at fair value through profit or loss	Self-owned funds
Mutual funds	010727.OF	CCB Cash Increase Money Market Fund B	1,236,038	Fair value	811,547	–	–	424,491	–	24,491	1,236,038	Financial assets at fair value through profit or loss	Self-owned funds
Bonds	210015.IB	21 Interest-bearing Government Bonds 15	1,086,027	Fair value	504,337	-3,715	–	936,648	365,696	16,209	1,088,965	Financial assets at fair value through profit or loss	Self-owned funds
Other securities investments held at the end of the period			308,442,724		291,497,756	-5,101,040	-943,819	2,802,963,768	2,784,312,176	-937,523	304,714,951		
Total			343,624,881		317,347,230	-5,063,590	-943,819	2,833,326,856	2,805,629,646	-902,449	339,676,986		

Notes:

1. 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.

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

2. Investments in derivatives

N/A

(V) Use of Proceeds

1. General information

During the Reporting Period, the Company had no securities issuance for fund raising.

For details of the utilization of corporate bonds raised by the Company during or prior to the Reporting Period was extended to the Reporting Period, please refer to "Section VIII. Profile of Bonds" in this report.

2. Commitment for proceeds

N/A

3. Changes of proceeds

N/A

VIII. MATERIAL DISPOSAL OF ASSETS AND EQUITY INTERESTS

During the Reporting Period, the Company had no material disposal of any assets and equity interests. The Company has no plan for material investments or acquisition of capital assets in the future.

IX. ANALYSIS OF MAJOR SUBSIDIARIES AND INVESTEES

(I) Major Subsidiaries

Unit: Thousand Yuan Currency: RMB

Name of companies	Type of companies	Principal businesses	Registered capital	Total assets	Total equity	Profit for the year
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	53,500,000	573,470,241	114,757,556	3,272,262
Hongyuan Huizhi Investment Co., Ltd.	Wholly-owned subsidiary	Investment, assets management, investment management, corporate management consulting service and investment consulting service	2,000,000	5,147,115	2,228,345	81,294
Hongyuan Futures Co., Ltd.	Wholly-owned subsidiary	Commodity futures brokerage, financial futures brokerage and futures investment consulting service	1,000,000	16,679,238	1,553,004	21,868
Hongyuan Huifu Capital Co., Ltd.	Wholly-owned subsidiary	Entrepreneurship investment, entrepreneurship investment consulting service, provision of entrepreneurial management service for startup enterprises and participation in setting up entrepreneurial investment enterprises and entrepreneurial investment management advisory institutions	500,000	553,941	497,152	-8,944
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	271,205	220,104	4,444
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 (The above businesses are limited to Xinjiang, Gansu, Shaanxi, Ningxia, Qinghai and Tibet), securities proprietary business (for securities brokerage clients in Xinjiang, Gansu, Shaanxi, Ningxia, Qinghai, and Tibet only) (For the special projects subject to approval according to law, they can be carried out only after approval from relevant departments)	5,700,000	18,075,434	8,618,149	572,324

Name of companies	Type of companies	Principal businesses	Registered capital	Total assets	Total equity	Profit for the year
Shenyin & Wanguo Alternative Investment Co., Ltd.	Wholly-owned subsidiary	Investment management, consulting service, advisory services	2,500,000	2,777,898	2,745,700	-179,380
Shenwan Futures Co., Ltd.	Controlling subsidiary	Commodity futures brokerage, financial futures brokerage, futures investment consulting service, assets management and fund sales	1,441,588	36,469,768	3,888,202	321,887
Shenwan Hongyuan Financing Services Co., Ltd.	Wholly-owned subsidiary	Securities underwriting (excluding bond types other than convertible bonds) and sponsoring, financial advisory in relation to securities transactions and securities investment activities	1,000,000	2,167,876	1,696,212	252,049
Shenyin & Wanguo Investment Co., Ltd.	Wholly-owned subsidiary	Private equity fund	1,000,000	1,284,857	1,077,978	19,369
SWS MU Fund Management Co., Ltd.	Controlling subsidiary	Fund management business, initiation and establishment of funds and other businesses approved by the CSRC (including sales of funds initiated and established by itself)	150,000	1,604,569	1,242,790	133,694
SWS Research Co., Ltd.	Controlling subsidiary	Investment consulting business	20,000	300,231	79,126	159
Shenwan Hongyuan (International) Holdings Limited	Wholly-owned subsidiary	Investment holdings	HK$4,070,920 thousand	HK$26,786,365 thousand	HK$5,064,253 thousand	HK$-874,951 thousand

(II) Investee

Unit: Thousand Yuan Currency: RMB

Name of company	Type of company	Principal businesses	Registered capital	Total assets	Total equity	Profit for the year
Fullgoal Fund Management Co., Ltd.	Investee	Management of publicly-offered securities investment funds, fund sales, specific customer asset management	520,000	13,070,529	7,745,192	2,066,140

X. 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 management income) 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. Please refer to Note 53 to the consolidated financial statements for details.

As at December 31, 2022, the consolidated structured entities of the Company included asset management schemes issued and managed by the Company and trust schemes the Company indirectly invested in issued by third parties. The book value of net assets of the abovementioned consolidated structured entities is RMB24,311 million.

XI. FUTURE DEVELOPMENT PROSPECTS

(I) Industry Landscape and Trends

The structural reform of financial supply side of China has been promoted steadily, and the construction of a modern financial system has been accelerated. According to the report of the Party's 20th National Congress, the functions of the capital market should be perfected, and the proportion of direct financing should be increased, and the pivotal role of "a slight move in one part may affect the situation as a whole" has become increasingly apparent. Under the background of comprehensively promoting the registration system, the reform of capital market has deepened in an all-round way, and the pace of opening up has been sped up in dual direction, the wealth management, asset management, investment bank, derivatives and other businesses are expected to be further expanded, the development room of the securities industries will be broader. Meanwhile, the competition in the industry will be intensifying, capital strength, professional capability and customer service level will become the important foundation of improving core competitiveness. Zero tolerance and strict supervision of the industry will be more stringent, and intermediaries as the market gatekeeper will assume more responsibilities, and the difficulties and complex of risk prevention will be more apparent.

(II) Development Strategy of the Company

The Company is committed to becoming a first-class comprehensive financial service provider empowered by financial technology which focuses on securities businesses themed on high-quality development with progress amidst stabilization as the key principle and is featured by "investment + investment banking". Insisting on customer-centric, it comprehensively promotes the transformation and innovation of business, steadily promotes the balanced development of light capital business and heavy capital business, domestic business and overseas business, and proactively builds a development model integrating investment business and investment banking business, to continuously improve the comprehensive financial service system.

(III) Operation Plan

In 2023, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company will deeply study and implement the spirit of the 20th National Congress of the Communist Party of China, adhere to the general working principle of seeking progress while maintaining stability, continue to strengthen and optimize the main responsibilities and businesses, continuously improve the depth and breadth of serving the real economy, and actively build a high-quality development system integrating investment business and securities business. The Group will coordinate the relationship between development and security, strengthen the construction of compliance risk control system, and firmly establish the bottom line of risk prevention and control. The Group will achieve the standardized operation of listed companies, striving to build a high-quality platform for listing of A shares and H shares.

(IV) Potential Risks and Countermeasures

According to the analysis on the macroeconomic situation, industry development trend, regulatory environment 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.

1. Market risk

The market risk exposure is mainly concentrated in the proprietary investment business, assets management business with self-owned funds and other businesses. During the Reporting Period, all investment businesses withstood the test of market downturn generally. At the end of the Reporting Period, the VaR (95% for one day) of the proprietary investment business of Shenwan Hongyuan Securities was RMB243 million.

The global economy has weakened growth momentum, the economic development of the PRC faces triple pressures of demand contraction, supply shock and weakening expectations and various uncertain factors have increased, resulting in greater challenges over market risk management.

The countermeasures taken by the Company include but are not limited to: (1) keeping a close eye on the economy and financial evolution trends, strengthening the follow-up analysis and research and judgment on the macroeconomic situation and market trend, intensifying the research on the risk characteristics and future change trends of large-scale assets, and making timely and proactive responses; (2) strictly implementing the risk tolerance requirements and risk limit indicators of proprietary investments, assets management with self-owned funds and other businesses; (3) optimizing a quantitative risk indicator assessment system, including risk measurement indicators such as VaR, beta, volatility, Greek letters, 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) standardizing the whole-process management mechanism of models, strengthening model validation and model risk assessment, and using methods including VaR and stress testing to analyse and assess market risks and regularly test the effectiveness of the model; (5) conducting dynamic monitoring and graded pre-warning of risk control indicators, measuring and monitoring market risk limit-related indicators on a daily basis, conducting a comprehensive assessment of the Company's overall market risk, and taking effective countermeasures on a timely basis; and (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

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.

The further increased recovery pressure of domestic economy posed greater operating pressure over enterprises. In light of normalization of defaults, the situation of credit risk prevention and control remains critical.

The countermeasures taken by the Company include but are not limited to: (1) continuing to optimize the unified internal rating system of the Company and its subsidiaries, strengthening the access management of business entities, requiring all business entities with credit risk exposure to meet the unified internal rating access standards of the Company, and promoting the construction of internal rating projects for overseas entities; (2) implementing the unified same customer management and control mechanism with the actual controller as the main body to achieve the unified credit extension of the same customer within the scope of the Company and its subsidiaries; (3) monitoring negative public sentiment information across the market, establishing default pre-warning mechanism based on secondary market prices, corporate interest spreads, implied ratings and other information, and applying the monitoring and warning results to credit risk management practices such as updating of rating results, adjustment of credit lines, and restrictions on access to negative list; and (4) taking targeted credit risk control measures for key businesses: ① for financing business, continuing to optimize the financing business structure, focusing on the analysis of credit status and repayment ability of financing entities, controlling the concentration of financing targets, strengthening dynamic mark-to-market, and improving the risk disposal process; ② for debt securities investments, allocating bonds with high credit rating and good liquidity, improving the bond credit rating center, and continuously tracking corporate debt rating and changes in liquidity conditions, etc.; ③ for OTC derivatives business, improving the risk limit indicators and pre-approval criteria, optimizing financial models such as credit extension and deposits measurement, accurately measuring credit risk exposure, and strengthening the dynamic mark-to-market of deposits; ④ for asset securitization business, improving the due diligence mechanism, focusing on verifying the real business conditions, credit qualifications and related relationship of original owners, as well as the legitimacy, authenticity and cash flow stability of underlying assets, strengthening the review and decision-making, strictly implementing the preconditions for project implementation, continuously tracking the status of project duration, and taking countermeasures on a timely basis to prevent credit default risk when identifying potential risks; and ⑤ establishing management process for disposing of default of risk assets, and based on specific circumstances of the event of default, promptly disposing of, dealing with and mitigating credit risks in various ways such as additional collateral, realization of collateral, early termination of contract and litigation recovery.

3. 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, dynamic monitored cash flow gaps 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.

Affected by the continuous interest rate increase of major economies such as Europe and the United States as well as local geopolitical conflicts, the global and domestic capital markets have become more volatile. There is greater uncertainty over domestic macro policies and funding. Accordingly, the volatility of the use of funds in business lines also increased, and the liquidity risk management of the Company was faced with greater challenges.

The countermeasures taken by the Company include but are not limited to: (1) strengthening research and judgment of financial market conditions, closely following monetary policy trends of the central bank, making comprehensive capital planning, and continuously optimizing the structure of high-quality current assets to ensure the Company's business capital needs and debt repayment; (2) on the basis of keeping existing financing channels unblocked, exploring new financing models, expanding new financing channels, and continuously improving the Company's debt financing management capabilities; (3) strengthening the dynamic monitoring of liquidity risk status, continuously tracking and evaluating the information including liquidity regulatory indicators, cash flow gap and liquidity reserve, and carrying out liquidity risk pre-warning work; (4) optimizing the liquidity risk measurement model, improving the capabilities to predict changes in cash flow from operations and analyze gaps; (5) conducting stress test of liquidity risk on a regular basis to assess liquidity pressure in the event of substantial expansion of business scale and extreme market changes, strengthening the stress assessment on liquidity risk of the OTC derivatives business, and preparing response plans for liquidity impact in advance; (6) assessing the Company's capabilities to report and handle liquidity risk emergency, continuously improving liquidity emergency plan and improving Company's capabilities to respond to liquidity crisis by conducting liquidity risk emergency drills which incorporate scenarios including possible reputational risks; and (7) improving liquidity risk limit indicators to subsidiaries and effectively monitoring liquidity risks of subsidiaries to strengthen liquidity risk management of subsidiaries.

4. 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, account overdraft, regulatory concerns, etc. 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. Besides, the Company adopted the measures including optimization of review mechanism, standardization of business processes, improvement of system defects and carrying out business training, to prevent the reoccurrence of similar risk incidents.

With the constant enrichment of business types, the continuous expansion of business scale, the increase in the number of practitioners, the widespread use of information systems, the overall tightening of supervision, etc., the operational risks faced by the Company have also increased, which has brought greater challenges to the operational risk management.

The countermeasures taken by the Company include but are not limited to: (1) constantly improving the operational risk management mechanism and further strengthening operational risk management requirements; (2) strengthening the foresight of operational risk management and carrying out in-depth operational risk assessment, especially before the launch of new businesses and new systems, carrying out special self-assessment work to identify and control potential risks in advance; (3) continuously improving the front-end control functions of the business system, implementing systematic control over important links and reducing manual operations; (4) strengthening the risk assessment, functional verification and daily monitoring of the information system, formulating information system security emergency plans and carrying out emergency drills; and (5) continuing to conduct publicity of typical risk cases and business training, intensifying assessment on staff errors, and constantly improving their business capabilities and risk management awareness.

5. Policy risk

The Company's overall operations and development of businesses are greatly affected by policies. On the one hand, changes in national macroeconomic 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 companies; on the other hand, regulatory authorities have published a series of regulatory policies to continuously improve the capital market management rules, emphasize the standardized development of business, and put forward new requirements for securities companies to improve professional service capabilities and risk management level.

The countermeasures taken by the Company include but are not limited to: (1) insisting on serving the overall national strategy, resolutely implementing relevant requirements of "six stabilizations" and "six guarantees", helping stabilize economic growth, and actively implementing the original intention and mission of financial state-owned enterprises to serve the real economy; (2) strengthening the research and analysis of the macroeconomic situation and industry dynamics, taking proactive measures to adjust risk control policies and business strategies in due course, and effectively preventing business risks that may arise during the implementation of policies; (3) paying close attention to dynamics and trends of regulatory policies, strengthening communication and contact with regulatory authorities, analyzing and interpreting regulatory policies related to main businesses, and conducting special training to improve the policy acumen of employees; and (4) strictly implementing the relevant regulations of the regulatory authorities, improving the institutional improvement and system construction of relevant businesses, and strengthening risk management and control, to ensure the healthy development of businesses.

6. Legal compliance risk

During the Reporting Period, the legislative department, the judiciary and the CSRC system successively issued a number of laws and regulations, judicial policy documents and new regulations to comprehensively strengthen the main responsibility of securities companies' operation and management; The supervision remains at a high level by adopting penetrating supervision and full chain accountability, constantly increasing the coverage of supervision and inspection, and strengthening the implementation of regulatory requirements. The legal compliance management of the Company faces great challenges.

The countermeasures taken by the Company include but are not limited to: (1) continuing to strengthen the construction of compliance culture, strengthening legal compliance training and case warning education; (2) closely tracking the changes of new regulations, strengthening the propaganda and guidance of new regulations, and earnestly implementing new regulations; (3) continuously strengthening compliance review in key business areas and enhancing compliance self-inspection and check; (4) actively responding to and resolving risk events including complaints and disputes; (5) implementing regulatory requirements such as anti-money laundering, improving the risk assessment mechanism for money laundering, and strengthening compliance management such as staff practice, information isolation and conflict of interest; (6) continuing to strengthen the construction of legal compliance management system and enhancing the construction of compliance personnel team; and (7) improving the compliance assessment mechanism, and strengthening accountability.

7. Risk of innovative businesses

The Company actively carried out business innovation and continued to increase business innovation. The innovative business structure and product types became increasingly complex and risks of innovative businesses further emerged. Therefore, corresponding risk control mechanisms and standards need to be strengthened.

The countermeasures taken by the Company include but are not limited to: (1) Shenwan Hongyuan Securities established a product and business innovation committee to be responsible for the verification of the Company's innovative businesses and coordinate the operation of cross-line innovative businesses; (2) revising and improving corresponding rules of innovative businesses, and strengthening the reserve of innovative business talents, to ensure steady development of innovative businesses on the basis of systems, talents and other supporting measures in place; (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) adding the risk monitoring and pre-warning of innovative businesses to the daily risk management work, and dynamically adjusting the control threshold based on business operation situation; (5) strengthening the construction of innovative business information technology system, and continuously improving various system functions such as business management and risk monitoring, to give full play to the support and guarantee role of the system for businesses; and (6) a retrospective evaluation mechanism has been established for innovative businesses, to conduct tracking retrospective evaluation on the development goals, operations, risk return as well as effectiveness of risk management and control measures of innovative businesses, then incorporate the retrospective evaluation results into the annual risk management performance assessment, to continuously improve the risk management and control measures of innovative businesses and promote the steady development of innovative businesses.

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 Reporting 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 RMB. 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 faced with is relatively not great. In the future, with the advancement of the Company's international business layout and the progress of RMB internationalization, the Company will further strengthen the study on exchange rate, and take reasonable and effective measures to hedge and manage exchange rate risks in a timely manner.

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

For the fulfillment of social responsibilities by the Company, please refer to the "Environmental and Social Responsibility" 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 "2022 Social Responsibility Report of Shenwan Hongyuan Group Co., Ltd./Environmental, Social and Governance Report" published by the Company.

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

XIII. 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.

XIV. 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.

XV. 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.

XVI. MANAGEMENT CONTRACTS

In 2022, 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.

XVII. 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 2022, the income attributable to the Group's five largest customers accounted for 8.86% of the total revenue and other income, and the five largest customers are non-related parties.

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

XVIII. 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 IV "Corporate Governance" in this report.

XIX. 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, 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 "XXIII. Significant matters of the subsidiaries of the Company" in "Section VI Significant Events" of this report.

XX. 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 "XIII. Employees of the Company", "Remuneration policy for employees" and "Training Program" in "Section IV Corporate Governance" of this report. For the relationship between the Company and securities brokers, please refer to "XIV. Information about Customer Solicitation and Customer Service of Commission Brokers of Shenwan Hongyuan Securities, a Subsidiary of the Company" in "Section IV Corporate Governance" of this report. For the relationship between the Company and major customers and suppliers, please refer to the "Major customers and suppliers" under this section.

XXI. 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.

XXII. DONATIONS

The Company proactively fulfills its social responsibilities. In 2022, the amount of investment in charitable advertising, disaster relief donations, education grants, charitable donations, and other public welfare aspects was RMB54.96 million.

XXIII. 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 VII 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 and its subsidiaries, please refer to "Section VIII Profile of Bonds" and "XXIII. Significant matters of the subsidiaries of the Company" in "Section VI Significant Events" of this report.

XXIV. PROFIT DISTRIBUTION AND PROPOSED DIVIDEND

The formulation and implementation details of the Company's cash dividends policy and the profit distribution proposal for 2022 are set out in "XV. Profit Distribution of Ordinary Shares and Conversion of Capital Reserves into Share Capital of the Company" in "Section IV Corporate Governance" of this report.

By order of the Board of Directors
Liu Jian
Chairman

March 30, 2023

Section IV Corporate Governance

I. BASIC SITUATION OF THE CORPORATE GOVERNANCE

(I) The Company's operation is in strict compliance with laws, regulations and regulatory documents applicable in places where the shares of the Company are listed. It has established and developed corporate governance structure and improved the corporate governance mechanism and institutional system in accordance with the law, to continuously improve corporate governance. In accordance with the requirements of laws, regulations and regulatory documents such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Rules for Corporate Governance of Listed Companies, the Company has established a sound and complete corporate governance structure consisting of the general meeting, the Board of Directors, the Board of Supervisors and the Executive Committee of the Company, and formed a corporate governance system with clear powers and responsibilities, standardized operations, mutual coordination, and checks and balances among governing bodies, decision-making bodies, supervisory bodies and the management of the Company, ensuring the sustainable and standardized development of the Company's operation and management.

The Company fully followed all code provisions in the CG Code and met requirements for the most of recommended best conventional clauses listed in the CG Code.

(II) During the Reporting Period, the Company held 3 general meetings, 10 meetings of the Board of Directors, 4 meetings of the Board of Supervisors, 3 meetings of the Strategy and ESG Committee of the Board of Directors, 4 meetings of the Remuneration and Nomination Committee of the Board of Directors, 7 meetings of the Audit Committee of the Board of Directors, and 3 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 Independent Directors System, 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.

(III) There is no significant difference between the actual situation of corporate governance and laws, administrative regulations and the regulations of the CSRC on the governance of listed companies.

II. INDEPENDENCE OF THE COMPANY FROM THE CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER IN TERMS OF BUSINESS, PERSONNEL, ASSETS, ORGANISATION, FINANCE, ETC.

The Company is completely separated from the controlling shareholder and actual controller 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, actual controller and other enterprises controlled by it, and there is no obviously unfair related party transaction with the controlling shareholder, actual controller and other enterprises controlled by it.

(II) Personnel independence: Senior management of the Company, including general manager, members of the executive committee, chief financial officer, and secretary of the Board of Directors, does not hold any position in the controlling shareholder, actual controller and other enterprises controlled by it, and does not receive any remuneration from the controlling shareholder, actual controller and other enterprises controlled by it; also the financial personnel of the Company does not hold any concurrent positions in the controlling shareholder, actual controller and other enterprises controlled by it.

(III) Asset independence: The Company independently and completely owns the business system and relevant assets related to the operation, and is independent from the controlling shareholder, actual controller 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, actual controller 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 Company does not share bank accounts with the controlling shareholder, actual controller and other enterprises controlled by it.

III. HORIZONTAL COMPETITION

N/A

IV. ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETINGS HELD DURING THE REPORTING PERIOD

(I) 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 80 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 85 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. Save as specified in the preceding paragraph, 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	Type of meeting	Investor participation ratio	Convening date	Titles of resolutions of the meeting	Status of resolutions	Disclosure date and disclosure index
2021 annual general meeting	Annual general meeting	65.17%	June 10, 2022	1. The Resolution Regarding Consideration of the 2021 Work Report of the Board of Directors of the Company 2. The Resolution Regarding Consideration of the 2021 Work Report of the Board of Supervisors of the Company 3. The Resolution Regarding Consideration of the 2021 Annual Financial Report of the Company 4. The Resolution Regarding the 2021 Profit Distribution Plan of the Company 5. The Resolution Regarding Consideration of the 2021 Annual Report of the Company 6. The Resolution Regarding the Estimated Ordinary Related Party Transactions for 2022 (voted item by item) 7. The Resolution Regarding the Granting of General Mandate to the Board of Directors to Issue Additional A Shares and H Shares of the Company 8. The Resolutions Regarding the Public Issuance of Corporate Bonds by Shenwan Hongyuan Group Co., Ltd. (voted item by item) 9. The Resolution Regarding the Appointment of Auditors of the Company for 2022	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 11, 2022 and the website of the Hong Kong Stock Exchange at www.hkexnews.hk on June 10, 2022
2022 first extraordinary general meeting	Extraordinary general meeting	62.87%	August 26, 2022	The Resolution Regarding the Election of a Director of the Company (Mr. Liu Jian)	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 27, 2022 and the website of the Hong Kong Stock Exchange at www.hkexnews.hk on August 26, 2022
2022 second extraordinary general meeting	Extraordinary general meeting	62.80%	December 29, 2022	1. The Resolution Regarding the Amendments to the Rules of Procedure of the Board of Directors of Shenwan Hongyuan Group Co., Ltd. 2. The Resolution Regarding the Amendments to the Proceeds Management System of Shenwan Hongyuan Group Co., Ltd. 3. The Resolution Regarding the Election of a Director of the Company (Mr. Shao Yalou)	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 30, 2022 and the website of the Hong Kong Stock Exchange at www.hkexnews.hk on December 29, 2022

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 equity, 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 channels on the Company's website, the interaction platform of the Shenzhen Stock Exchange, site visits and 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 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 Company Profile and Key Financial Indicators" in this report)

(II) Preferred shareholders whose voting rights were resumed requested to convene extraordinary general meetings

N/A

V. 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
Liu Jian	Executive director, Chairman	Male	49	August 26, 2022 to present	0	49.33	No
	Chairman of Executive Committee			December 23, 2022 to present			
Huang Hao	Executive director	Male	49	May 28, 2021 to present	0	148.05	No
	General manager			December 18, 2020 to present			
	Chairman of Executive Committee			May 28, 2021 to December 23, 2022			
	Vice chairman of Executive Committee			December 23, 2022 to present			
Ren Xiaotao	Non-executive director	Male	51	March 21, 2019 to present	0	–	Yes
Zhang Yigang	Non-executive director	Male	59	June 23, 2020 to present	0	–	Yes
Zhu Zhilong	Non-executive director	Male	52	May 28, 2021 to present	0	–	Yes
Zhang Ying	Non-executive director	Female	51	October 22, 2021 to present	0	–	Yes
Shao Yalou	Non-executive director	Male	46	December 29, 2022 to present	0	–	Yes
Yeung Siuman Shirley	Independent non-executive director	Female	59	November 5, 2020 to present	0	24	Yes
Wu Changqi	Independent non-executive director	Male	67	May 28, 2021 to present	0	27	Yes
Chen Hanwen	Independent non-executive director	Male	54	May 28, 2021 to present	0	27	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
Zhao Lei	Independent non-executive director	Male	48	May 28, 2021 to present	0	24	Yes
Fang Rongyi	Supervisor, Chairman of the Board of Supervisors	Male	56	October 22, 2021 to present	0	148.28	No
Chen Yan	Supervisor	Female	47	May 28, 2021 to present	0	–	Yes
Jiang Yang	Supervisor	Male	44	May 28, 2021 to present	0	–	Yes
Li Yan	Employee representative supervisor	Female	51	May 28, 2021 to present	0	86.75	No
Zhou Jie	Employee representative supervisor	Female	49	May 28, 2021 to present	0	87.41	No
Ren Quansheng	Member of Executive Committee	Female	54	May 28, 2021 to present	0	112.05	No
	Chief financial officer			December 18, 2020 to present			
Liu Yue	Member of Executive Committee	Male	54	May 28, 2021 to present	0	109.97	No
Xu Liang	Secretary to the Board	Male	47	March 15, 2021 to present	0	107.50	No
Resigned directors, supervisors and senior management during the Reporting Period							
Chu Xiaoming	Executive director, Chairman	Male	60	February 11, 2015 to August 26, 2022	0	111.29	No
Ge Rongrong	Non-executive director	Female	54	March 21, 2019 to December 26, 2022	0	–	Yes
Total					0	1,062.63	

Note 1: The Company has not implemented an equity incentive plan; therefore, none of the Company's directors, supervisors and senior management held any shares of the Company during the Reporting Period.

Note 2: The total pre-tax compensation received by the directors, supervisors and senior management from the Company during their term of office is the base salary, annual salary for performance, allowances and benefits for the year paid in 2022.

Note 3: The deferred compensation of previous years paid in 2022 is as follows: (1) Mr. Huang Hao received a deferred bonus of RMB1.0025 million; (2) Mr. Fang Rongyi received a deferred bonus of RMB2.6508 million; (3) Ms. Ren Quansheng received a deferred bonus of RMB2.952 million; (4) Mr. Liu Yue received a deferred bonus of RMB3.0512 million; (5) Mr. Xu Liang received a deferred bonus of RMB2.5734 million; (6) Ms. Li Yan received a deferred bonus of RMB1.1658 million; (7) Ms. Zhou Jie received a deferred bonus of RMB1.0558 million; (8) Mr. Chu Xiaoming received a deferred bonus of RMB660,000.

2. Resignation of directors or supervisors or dismissal of senior management during their term of office during the Reporting Period

(1) Resignation of directors or supervisors during their term of office during the Reporting Period

On August 26, 2022, Mr. Chu Xiaoming tendered the written resignation due to work arrangement and applied to resign as the chairman and an executive Director of the fifth session of the Board of Directors, the chairman of the Strategy Committee of the Board of Directors, a member of the Remuneration and Nomination Committee of the Board of Directors of the Company and an authorized representative of the Company (the "Authorized Representative") under Rule 3.05 of the Hong Kong Listing Rules.

On December 26, 2022, Ms. Ge Rongrong tendered the written resignation due to work arrangement and applied to resign as a non-executive director of the fifth session of the Board of Directors, the chairlady of the Risk Control Committee of the Board of Directors and a member of the Strategy Committee of the Board of Directors of the Company.

During the Reporting Period, there was no resignation of supervisors during their term of office.

(2) Resignation of senior management during the Reporting Period

During the Reporting Period, there was no resignation of senior management during their term of office.

3. Changes in directors, supervisors and senior management of the Company

(1) Changes in Directors during the Reporting Period

Name	Position	Category	Date	Reason
Liu Jian	Executive director	Election at the general meeting	August 26, 2022	Election at the general meeting
	Chairman	Election of the Board of Directors	August 26, 2022	Election of the Board of Directors
Chu Xiaoming	Executive director, Chairman	Resigned	August 26, 2022	Work arrangements
Ge Rongrong	Non-executive director	Resigned	December 26, 2022	Work arrangements
Shao Yalou	Non-executive director	Election at the general meeting	December 29, 2022	Election at the general meeting

1. On August 5, 2022, the tenth meeting of the fifth session of the Board of Directors of the Company approved the Resolution regarding the Nomination of Candidate for Director of the Company to nominate Mr. Liu Jian as a candidate for executive director of the fifth session of the Board of Directors of the Company. On August 26, 2022, the first extraordinary general meeting of the Company in 2022 considered and approved the Resolution regarding the Election of the Director of the Company and elected Mr. Liu Jian as a director (executive director) of the fifth session of the Board of Directors of the Company. On August 26, 2022, the Company convened the eleventh meeting of the fifth session of the Board of Directors, at which the Resolution Regarding the Election of Chairman of the Fifth Session of the Board of Directors was considered and approved, pursuant to which Mr. Liu Jian, a director of the Company, was elected as the chairman of the fifth session of the Board of Directors.

2. On August 26, 2022, Mr. Chu Xiaoming tendered the written resignation due to work arrangement and applied to resign as the chairman and an executive Director of the fifth session of the Board of Directors, the chairman of the Strategy Committee of the Board of Directors, a member of the Remuneration and Nomination Committee of the Board of Directors and an Authorized Representative of the Company.

3. On December 5, 2022, the fourteenth meeting of the fifth session of the Board of Directors of the Company considered and approved the Resolution regarding the Nomination of Candidate for Director of the Company to nominate Mr. Shao Yalou as a candidate for non-executive director of the fifth session of the Board of Directors of the Company. On December 29, 2022, the second extraordinary general meeting of the Company in 2022 considered and approved the Resolution regarding the Election of Director of the Company and elected Mr. Shao Yalou as a director (non-executive director) of the fifth session of the Board of Directors of the Company.

4. On December 26, 2022, Ms. Ge Rongrong tendered the written resignation due to work arrangement and applied to resign as a non-executive director of the fifth session of the Board of Directors, the chairlady of the Risk Control Committee of the Board of Directors and a member of the Strategy Committee of the Board of Directors of the Company.

(For relevant 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 August 6, August 27, December 6, December 27, December 30, 2022 and on the HKExnews website of Hong Kong Stock Exchange (www.hkexnews.hk) on August 5, August 26, December 5, December 26, December 29, 2022.)

(2) Changes in supervisors during the Reporting Period

There was no change in the supervisors of the Company during the Reporting Period.

(3) Changes in senior management during the Reporting Period

Name	Position	Category	Date	Reason
Liu Jian	Chairman of the Executive Committee	Appointment	December 23, 2022	Appointment by the Board of Directors
Huang Hao	Chairman of the Executive Committee	Appointment	May 28, 2021 to December 23, 2022	Appointment by the Board of Directors
	Vice chairman of the Executive Committee	Appointment	December 23, 2022	Appointment by the Board of Directors

On December 23, 2022, the Resolution Regarding Adjustment to the Chairman of the Executive Committee of Shenwan Hongyuan Group Co., Ltd. was considered and approved at the 15th meeting of the fifth session of the Board of Directors of the Company, pursuant to which Mr. Liu Jian, the Chairman, was approved to concurrently served as the chairman of the Executive Committee of Shenwan Hongyuan Group Co., Ltd.; and Mr. Huang Hao, the general manager, was approved to concurrently served as the vice chairman of the Executive Committee of Shenwan Hongyuan Group Co., Ltd. Mr. Huang Hao ceased to serve as the chairman of the Executive Committee of Shenwan Hongyuan Group Co., Ltd.

(For details, please refer to the announcement published by the Company on China Securities Journal, Securities Times, Shanghai Securities News and the Cninfo website (www.cninfo.com.cn) on December 24, 2022 and on the website of HKExnews (www.hkexnews.hk) on December 23, 2022.)

(4) Changes in Authorized Representatives

On August 26, 2022, the eleventh meeting of the fifth session of the Board of Directors of the Company considered and approved the appointment of Mr. Liu Jian as the Authorized Representative. His appointment took effect from the date of consideration and approval by the Board of Directors. Due to work arrangement, Mr. Chu Xiaoming resigned as the Authorized Representative. His resignation took effect upon the delivery of resignation report to the Board of Directors on August 26, 2022.

(For details, 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 27, 2022 and the website of the Hong Kong Stock Exchange at www.hkexnews.hk on August 26, 2022)

(II) Positions held by directors, supervisors and senior management of the Company

1. Professional background, main work experience and main responsibilities in the Company

(1) Directors

Executive Directors

Mr. Liu Jian (劉健) currently serves as an executive director, the chairman of the Board of Directors and the chairman of the Executive Committee of Shenwan Hongyuan Group Co., Ltd. His main work experience includes: Mr. Liu worked at the Non-Banking Financial Institutions Administration Division of the People's Bank of China from August 1997 to June 1998; he successively served as the chief section member, deputy director and director of China Securities Regulatory Commission from June 1998 to April 2007; he served as the director of the General Department of Central Huijin Investment Ltd. from April 2007 to September 2007; the deputy director, director and secretary to the board of directors and secretary of the Party Committee of China Investment Corporation from September 2007 to September 2013; and the inspector and section chief of the Ministry of Finance from September 2013 to January 2020; he served as the secretary of the Party Committee of Bank of China Investment Limited from January 2020 to July 2022; the executive president and executive director of Bank of China Group Investment Limited from April 2020 to May 2021, the chairman and executive president of Bank of China Group Investment Limited from May 2021 to July 2022; the chairman of the board of supervisors of Beijing-Shanghai High-speed Railway Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 601816) from July 2021 to August 2022; he has served as the secretary of the Party Committee of Shenwan Hongyuan Group Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd. since July 2022; the exeutive director and chairman of Shenwan Hongyuan Group Co., Ltd. since August 2022; the exeutive director and chairman of Shenwan Hongyuan Securities Co., Ltd. since September 2022; and the chairman of the Executive Committee of Shenwan Hongyuan Group Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd. since December 2022. Mr. Liu obtained a bachelor's degree in economics from Jilin University in July 1994 majoring in international economics, a master's degree in economics from the Graduate School of the People's Bank of China in July 1997 majoring in international finance, and a doctorate degree in economics from the Graduate School of the People's Bank of China in June 2004 majoring in monetary banking. Mr. Liu Jian is a certified public accountant.

Mr. Huang Hao (黄昊) currently serves as an executive director, the general manager and the vice chairman of the Executive Committee of Shenwan Hongyuan Group Co., Ltd. His main work experience includes: Mr. Huang Hao 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, thedeputy 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. (601211.SH, 02611.HK), 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 (601995.SH, 03908.HK), from February 2020 to December 2020. He has served as the general manager of Shenwan Hongyuan Group Co., Ltd. since December 2020. He served as a member and the chairman of the Executive Committee of Shenwan Hongyuan Group Co., Ltd. from May 2021 to December 2022; and he has served as an executive director of Shenwan Hongyuan Group Co., Ltd. since May 2021; and the vice chairman of the Executive Committee of Shenwan Hongyuan Group Co., Ltd. since December 2022 to present. Mr. Huang Hao 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.

Non-executive directors

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 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; non-executive director of Shenwan Hongyuan Securities Co., Ltd. since June 2019 till now; and the managing director of the directly managed enterprises leading group/equity management department II of Central Huijin Investment Ltd. since February 2021 till now. Mr. Ren Xiaotao 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, 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) from December 2015 to August 2019, 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) from February 2015 to November 2022; 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; and the deputy secretary of the Party committee, vice chairman and general manager of Sichuan Development Holding Co., Ltd. from June 2020 to July 2022; he has served as the secretary of the Party committee and chairman of Sichuan Development Holding Co., Ltd. since July 2022; a non-executive director of Shenwan Hongyuan Group Co., Ltd. since June 2020, a member of the Standing Committee of the Sichuan Provincial People's Congress, and the vice chairman of the Urban and Rural Construction Environment and Resources Protection Committee of the Sichuan Provincial People's Congress since January 2023. 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.

Mr. Zhu Zhilong (朱志龍) currently serves as a non-executive director of Shenwan Hongyuan Group Co., Ltd. His main work experience includes: Mr. Zhu Zhilong served as the financial supervisor of the Shanghai Geological and Mineral Engineering Investigation Institute (上海地礦工程勘察院) from July 1992 to July 1995; as the deputy chief officer and accounting supervisor (section chief level) of the comprehensive economic management division and deputy head of the planning and finance division of the Shanghai Bureau of Geology and Mineral Resources (上海市地質礦產局) from July 1995 to August 2000; and as deputy head of the funding division (audit division), head of the audit division, director (head) of the supervision office (audit division) and deputy secretary of the commission for discipline inspection of the Shanghai Municipal Housing and Land Resources Administration (上海市房屋土地資源管理局) from August 2000 to March 2009; from March 2009 to December 2015, he served as the director of the discipline inspection and supervision office, head of the audit division, director (head) of the discipline inspection office (audit division), deputy leader of the discipline inspection group, head of the planning and finance division, and head of the planning and finance division (audit division) of Shanghai Housing Security and Housing Administration Bureau; and from December 2015 to September 2020, he served as the head and first-level investigator of the comprehensive planning division of the Shanghai Municipal Housing and Urban-Rural Construction Management Commission (上海市住房城鄉建設管理委); he has been the chief financial officer of Shanghai Jiushi (Group) Co., Ltd. since September 2020 and a non-executive director of Shenwan Hongyuan Group Co., Ltd. since May 2021. Mr. Zhu Zhilong obtained a bachelor's degree in economics from Hebei Geo University majoring in accounting in July 1992, a master's degree in public management from East China Normal University majoring in public management in January 2005 and a master's degree in law from Shanghai Jiaotong University majoring in law in June 2010.

Ms. Zhang Ying (張英) currently serves as a non-executive director of Shenwan Hongyuan Group Co., Ltd. Her main work experience includes: Ms. Zhang Ying served in Beijing Urban Construction No. 4 Construction Engineering Co., Ltd. (北京城建四建設工程有限責任公司) from July 1993 to July 1994, and she served in the Financing Department of China Investment Bank from April 1997 to December 1998. From December 1998 to September 2003, she served in the Treasury & Financial Market Department of China Development Bank, and successively served as the deputy director and director of Policy Research Department of China Development Bank and other positions from September 2003 to August 2012. She served as the senior manager of the Securities Institution Management Department/ Insurance Institution Management Department of Central Huijin Investment Ltd. from August 2012 to January 2020; the division chief and director of Research Support Division of the Securities Institution Management Department/Insurance Institution Management Department of Central Huijin Investment Ltd. successively from July 2014 to January 2020. She served as the division chief in Comprehensive Division and senior manager of the Office of the Directly Managed Enterprises Leading Group/Equity Management Department II of Central Huijin Investment Ltd. from January 2020 to August 2021; and she has been serving as a managing director of the Office of the Directly Managed Enterprises Leading Group/Equity Management Department II of Central Huijin Investment Ltd. since August 2021 till now; a designated director of the office of the Directly Managed Enterprises Leading Group/Equity Management Department II of Central Huijin Investment Ltd. since September 2021 till now; a non-executive director of Shenwan Hongyuan Securities Co., Ltd. since September 2021 till now; and a non-executive director of Shenwan Hongyuan Group Co., Ltd. since October 2021 till now. Ms. Zhang Ying obtained a bachelor's degree in economics from Renmin University of China in July 1993 majoring in investment and economics management; and a master's degree in economics from the Graduate School of People's Bank of China in April 1997 majoring in international finance.

Mr. Shao Yalou (邵亞樓) currently serves as a non-executive director of Shenwan Hongyuan Group Co., Ltd. His main work experience includes: he worked in Shitong Company of Henan Provincial Grain Bureau (河南省糧食局世通公司) from September 1999 to September 2002; served as a cadre and chief section member in the Comprehensive Division of the General Office of Shanghai Municipal Government (上海市政府辦公廳綜合處) from August 2008 to July 2011; served as a chief section member, deputy researcher and staff member (deputy director general level) in the Secretariat of the General Office of Shanghai Municipal Government (上海市政府辦公廳秘書處) from July 2011 to October 2016 (during which, he was seconded to work in China Investment Corporation from July 2016 to October 2016); served as a senior deputy manager of the Office/Board Office/Party Committee Office, senior deputy manager and senior manager of the Research Department in China Investment Corporation from October 2016 to October 2022; and serves as a managing director and designated director of the Office of the Directly Managed Enterprises Leading Group/Equity Management Department II of Central Huijin Investment Ltd. since October 2022; served as a non-executive director of Shenwan Hongyuan Group Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd. since December 2022. Mr. Shao Yalou graduated from Electronic Engineering Department of Zhengzhou University in July 1999, majoring in automatic control, graduated from East China Normal University in July 2005, majoring in scientific socialism and international communist movement, and obtained a master's degree in law, and graduated from the Institute of World Economics of the Shanghai Academy of Social Sciences in July 2008, majoring in world economics, and obtained a doctorate degree in economics.

Independent non-executive directors

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 Siuman Shirley served as the person in charge of the international securities investment 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.

Mr. Wu Changqi (武常岐) currently serves as an independent non-executive director of Shenwan Hongyuan Group Co., Ltd. His main work experience includes: Mr. Wu Changqi served a researcher at the China Studies Center of the University of Leuven in Belgium from February 1990 to July 1991; and an assistant professor in economics of the Business School in Hong Kong University of Science and Technology from August 1991 to June 2001; he was a visiting scholar at Northwestern's Kellogg School of Management in the U.S. from August 1997 to January 1998; a visiting professor at the Department of Applied Economics of Katholieke Universiteit Leuven in Belgium from September 1998 to December 1998; the deputy director of the Shui On Center for China Business and Management of the Business School and an adjunct associate professor of the Department of Economics of the Hong Kong University of Science and Technology since from July 2001 to June 2004; he served as the head of the Department of Strategic Management of the Guanghua School of Management of Peking University from September 2001 to January 2011; the director of the EMBA Centre of the Guanghua School of Management of Peking University from August 2002 to December 2010; and the associate dean of the Guanghua School of Management of Peking University from February 2003 to December 2010; he served as an adjunct professor in the Department of Economics of the Business School of Hong Kong University of Science and Technology from 2005 to 2011; the dean of the National High-tech Industrial Development Zone Development Strategy Research Institute of Peking University from May 2007 to December 2020; the as director of Guanghua Cisco Leadership Institute of Peking University from March 2011 to December 2020; and a visiting professor at the School of Economics and Finance of the University of Hong Kong from 2012 to 2018; he has been a professor of strategic management at the Guanghua School of Management of Peking University since September 2001; the dean and chair professor of the School of Management of Shandong University since October 2019; the executive deputy head of the International Operation and Management Institute of Peking University since September 2006; and the executive deputy head of the National High-tech Industrial Development Zone Development Strategy Institute of Peking University since January 2021. He has concurrently served as the fifth executive vice chairman of the Chinese Institute of Business Administration since September 2014; an expert in the 14th Five-Year National Intellectual Property Planning Guidance Expert Group of the China National Intellectual Property Administration since August 2019; an expert member of the Expert Committee of the China Council for the Promotion of International Trade since February 2015; the chairman of the Strategic Management Professional Committee of the China Management Science Society since September 2016; and an executive director of the China International Economic Cooperation Society since November 2019. He served as an independent director of Beijing Electronics Zone Investment and Development Co., Ltd. (600658.SH) from December 2012 to June 2019; and an external director of Haier Smart Home Co., Ltd. (600690.SH, 690D, 6690.HK) from April 2013 to June 2022. He was an external supervisor of Hua Xia Bank Co., Limited (600015.SH) from May 2015 to November 2021; an independent director of Yijiahe Technology Co., Ltd. (603666.SH) from August 2016 to September 2022; and an independent director of Aixin Life Insurance Co., Ltd. since August 2017. He served an independent non-executive director of Beijing Media Corporation Limited (1000.HK) from June 2016 to November 2021. He has been an independent director of Tianneng Co., Ltd. (688819.SH) since February 2019; and an independent non-executive

director of Shenwan Hongyuan Group Co., Ltd. since May 2021; and an independent director of Wanhua Chemical Group Co., Ltd. (600309.SH) since April 2022. Mr. Wu Changqi obtained a bachelor's degree in economics from Shandong University in July 1982; a master's degree in business administration (MBA) from the University of Leuven in Belgium in February 1986; and a doctorate in applied economics from the University of Leuven in Belgium in October 1990.

Mr. Chen Hanwen (陳漢文) currently serves as an independent non-executive director of Shenwan Hongyuan Group Co., Ltd. His main work experience includes: Mr. Chen Hanwen served as a teaching assistant, lecturer, and associate professor in the Accounting Department of Xiamen University from August 1990 to November 1999; a professor in the Accounting Department of the School of Management of Xiamen University from December 1999 to May 2015 (during which he served as a doctoral tutor of the Accounting Department of the School of Management of Xiamen University February 2001 to May 2015 and the director of the Accounting Department, the deputy dean of the School of Management, the deputy dean of the Graduate School, and the secretary general of the Academic Committee of Xiamen University from April 2004 to April 2015); he served as a professor and doctoral tutor of the Accounting Department of the School of International Business of the University of International Business and Economics from May 2015 to November 2021 (during which he served as a distinguished professor of Huiyuan of the University of International Business and Economics from May 2017 to November 2021 and a first-level professor at the International Business School of the University of International Business and Economics from January 2018 to November 2021). He has served as an instructor of doctorate students of the University of International Business and Economics since May 2015; and a professor of Nanjing Audit University since November 2021; he served as an independent director of Xiamen International Bank Co., Ltd. from May 2013 to December 2021; has been an independent director of Dalian Wanda Commercial Management Group Co., Ltd. since May 2017; an independent director of Shanghai Fuiou Payment Service Co., Ltd. since May 2017; an independent director of Beijing Tri-Prime Gene Pharmaceutical Co., Ltd. (837344.OC) since November 2018; an external supervisor of Bank of Communications Co., Ltd. (601328.SH, 03328.HK) since June 2019; an independent director of China Shenhua Energy Co., Ltd. (601088.SH, 01088.HK) since May 2020; and an independent non-executive director of Shenwan Hongyuan Group Co., Ltd. since May 2021. Mr. Chen Hanwen graduated from the Accounting Department of School of Economics of Xiamen University in July 1990 with a bachelor's degree in auditing and from the Accounting Department of School of Economics of Xiamen University in August 1997 with a doctorate degree in economics.

Mr. Zhao Lei (趙磊) currently serves as an independent non-executive director of Shenwan Hongyuan Group Co., Ltd. His main work experience includes: Mr. Zhao Lei was a lecturer and associate professor at the School of Civil and Commercial Law of Southwest University of Political Science and Law from July 2005 to February 2012; a post-doctoral researcher at the postdoctoral research station of the University of International Business and Economics (postdoctoral in International Commercial Law) from October 2007 to June 2010; the assistant to the president of the Second Civil Division of the First Intermediate People's Court of Chongqing Municipality from May 2009 to December 2009; a researcher (postdoctoral in finance) at Tehua Postdoctoral Programme from October 2011 to September 2013; and an editor and the head of the law subject of the Social Sciences in China Press from March 2012 to November 2016. He has been an executive member of the China Law Journal Research Association since August 2015; an executive member of the China Securities Law Research Association since May 2016; a part-time researcher of Wuhan University Institute of International Law, a national highend think tank, since November 2016; an associate researcher and researcher (professor) at the Commercial Law Office in the Institute of Law of the Chinese Academy of Social Sciences since December 2016; an doctoral tutor of students in Civil and Commercial Law at Southwest University of Political Science and Law since September 2019; an executive member of the China Commercial Law Research Association, an external professor of Lanzhou University, and concurrently an expert member of the Commercial Trial Professional Committee of the China Trial Theory Research Association and an expert member of the Financial Trial Professional Committee since October 2019; and an executive member of the China Bank Law Research Association since November 2020. He also served as an independent director of Haohan Data Technology Co., Ltd. (833175.OC) from September 2016 to June 2020, and has been an independent director of Nanning Department Store Co. Ltd. (600712.SH) since April 2018, an independent director of Shanghai Haohai Biological Technology Co., Ltd. (688366.SH, 06826.HK) since June 2020 and an independent non-executive director of Shenwan Hongyuan Group Co., Ltd. since May 2021. Mr. Zhao Lei graduated from the Law Department of Hebei University with a bachelor's degree in July 1999; graduated from Hebei Normal University with a master's degree in economic law in July 2004; and graduated from the Southwest University of Political Science and Law with a doctorate degree in civil and commercial law in July 2007.

(2) *Supervisors*

Mr. Fang Rongyi (方榮義) 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. Fang Rongyi served as the deputy director of the information center of the research institute of Beijing Yonyou Financial Technology Co., Ltd. from November 1990 to August 1992; he studied in the Accounting Department of Xiamen University for a doctorate degree from September 1992 to September 1995 and was an associate professor at the Business Administration Education Center of Xiamen University from November 1995 to March 1997. From March 1997 to January 2003, he successively served as an employee, assistant investigator (deputy director general level), and deputy director general of the accounting department of the Shenzhen Central Branch of the People's Bank of China; he served as the director general of the Non-Bank Financial Institution Supervision Division of the Shenzhen Central Sub-branch of the People's Bank of China from January 2003 to October 2003; the director general of the Financial Accounting Division of the Shenzhen Supervision Bureau of the China Banking Regulatory Commission from October 2003 to October 2006; and the director general of the State-owned Bank Supervision Division of the Shenzhen Supervision Bureau of the China Banking Regulatory Commission from October 2006 to September 2007; he was the proposed chief financial officer of Shenyin & Wanguo Securities Co., Ltd. from September 2007 to March 2008; the chief financial officer of Shenyin & Wanguo Securities Co., Ltd. from March 2008 to December 2014 (during which he concurrently served as the general manager of planning and accounting management headquarters from June 2011 to November 2011); from December 2014 to July 2015, he served as the deputy general manager and chief financial officer of Shenwan Hongyuan Securities Co., Ltd.; he has concurrently served as the vice chairman of Fullgoal Fund Management Co., Ltd. since December 2014, and a supervisor of E-Capital Transfer Co., Ltd. since December 2014; he served as the deputy general manager, chief financial officer, and secretary to the board of directors of Shenwan Hongyuan Securities Co., Ltd. from July 2015 to December 2017; from December 2017 to January 2021, he served as the deputy general manager, chief financial officer, secretary to the board of directors, and chief risk officer of Shenwan Hongyuan Securities Co., Ltd.; he has concurrently served as the deputy director of the Financial Accounting Professional Committee of the Securities Association of China since May 2018, and a part-time/visiting professor of East China University of Political Science and Law since May 2018; he served as the deputy general manager, a member of the executive committee, chief financial officer, and secretary to the board of directors of Shenwan Hongyuan Securities Co., Ltd. from January 2021 to September 2021; he has been a supervisor and the chairman of the board of supervisors of Shenwan Hongyuan Securities Co., Ltd. since September 2021; a supervisor and the chairman of the Board of Supervisors of Shenwan Hongyuan Group Co., Ltd. since October 2021; he has concurrently served as the deputy director of the professional committee of the board of supervisors of China Association for Public Companies since November 2021, he served as the chairman of Shanghai Shenwan Hongyuan Public Welfare Foundation (in preparation) from December 2021 to July 2022; and the chairman of Shanghai Shenwan Hongyuan Public Welfare Foundation since July 2022. Mr. Fang Rongyi obtained a bachelor's degree in economics from Xiamen University in July 1987; a master's degree in economics from Xiamen University in July 1990; and a doctorate degree in economics from Xiamen University in September 1995.

Ms. Chen Yan (陳燕) currently serves as a supervisor of Shenwan Hongyuan Group Co., Ltd. Her main work experience includes: Ms. Chen Yan served as an employee of the Beijing Branch of the People's Insurance Company of China from August 1997 to February 2000; the editorial assistant and editor of the Economic Daily News Group from February 2000 to October 2007; the deputy director of the Corporate News Editorial Office, the assistant to the director of the chief editor office, and the director (deputy senior editor) of the chief editor office of the Economic Daily from October 2007 to March 2012; the senior manager of the Comprehensive Management Department/Banking Institutions Department II of Central Huijin Investment Ltd. from March 2012 to July 2017 (during which she temporarily served in Beijing Branch of China Construction Bank); and head of the Equity Management Division of Policy Financial Institutions of the Comprehensive Management Department/Banking Institutions Department II of Central Huijin Investment Ltd. from July 2017 to January 2020; She served as the head of the Policy Research Division of the Comprehensive Management Department of Central Huijin Investment Ltd. from January 2020 to October 2022. Ms. Chen Yan has been a supervisor of Shenwan Hongyuan Securities Co., Ltd. and Shenwan Hongyuan Group Co., Ltd. since May 2021; and the general manager of the Comprehensive Management Department of Central Huijin Investment Ltd. since October 2022. Mr. Chen Yan obtained a bachelor's degree in economics from the Central University of Finance and Economics majoring in international finance in July 1997; and obtained a master's degree in economics from Peking University majoring in finance in July 2004.

Mr. Jiang Yang (姜楊) currently serves as a supervisor of Shenwan Hongyuan Group Co., Ltd. His main work experience includes: Mr. Jiang Yang was an employee of the retail service management headquarters of Hongyuan Securities Co., Ltd. from July 2001 to June 2010 (during which, he was temporarily transferred to the Financial Work Office of Xinjiang Uyghur Autonomous Region from October 2008 to June 2010). He served as the office director of Xinjiang Financial Investment Co., Ltd. from July 2010 to March 2013; the manager of the investment management department of Xinjiang Financial Investment Co., Ltd. from March 2013 to February 2014; an employee director of Xinjiang Kaidi Investment Co., Ltd. from June 2013 to March 2020; and the general manager assistant of Xinjiang Financial Investment Co., Ltd. and Xinjiang Kaidi Investment Co., Ltd. from February 2014 to November 2016. He has been a supervisor of Shenwan Hongyuan Securities Co., Ltd. since January 2015; a director of Xinjiang Exchange Market Investment and Construction Group Co., Ltd. since April 2015; and a director of Xinjiang Tianshan Wool Textile Co., Ltd. since August 2016; he served as the chairman of Xinjiang Tianshan Industrial Investment Fund Management Co., Ltd. from September 2016 to October 2018; and the investment director of Xinjiang Kaidi Investment Co., Ltd. from November 2016 to March 2018; he has been a director of Xinjiang Tianshan Taifu Equity Investment Fund Management Co., Ltd. since December 2017; he served as a director of Xinjiang Microfinance Refinance Co., Ltd. from March 2018 to December 2021; the executive deputy general manager of Xinjiang Microfinance Refinance Co., Ltd. from March 2018 to June 2019; the general manager of Xinjiang Microfinance Refinance Co., Ltd. from June 2019 to April 2021; he has been the deputy general manager of Xinjiang Financial Investment Co., Ltd. since December 2019; a director and the deputy general manager of Xinjiang Kaidi Investment Co., Ltd. since March 2020; a director of Xinjiang Kaidi Mineral Investment Co., Ltd. since March 2020; and a supervisor of Shenwan Hongyuan Group Co., Ltd. since May 2021. Mr. Jiang Yang obtained a bachelor's degree in economics from Xinjiang University of Finance and Economics majoring in banking and currency in July 2001; and obtained an Executive Master of Business Administration from Xinjiang University of Finance and Economics in December 2014.

Ms. Li Yan (李豔) currently serves as an employee representative supervisor of Shenwan Hongyuan Group Co., Ltd. Her main work experience includes: Ms. Li Yan served as the senior manager of the investment bank headquarter of Northeast Securities Co., Ltd. from December 2004 to May 2007; the director of Beijing investment banking department of Industrial Securities Co., Ltd. from May 2007 to April 2009; and she successively served as the senior manager and the assistant to the general manager of the legal and compliance department of Hong Yuan Securities Co., Ltd. from March 2010 to January 2015; the assistant to the general manager of the legal and compliance department, the deputy director of the compliance and risk management center of Shenwan Hongyuan Securities Co., Ltd. (formerly known as Hong Yuan Securities Co., Ltd.) from January 2015 to February 2017, during which period she concurrently served as the compliance officer of Shenwan Hongyuan Securities (Western) Co., Ltd. and the compliance officer of Shenwan Hongyuan Financing Services Co., Ltd. from December 2015 to February 2017. From February 2017 to March 2019, she served as the compliance officer and the chief risk officer of Shenwan Hongyuan Financing Services Co., Ltd., during which period she concurrently served as the chief financial officer of Shenwan Hongyuan Financing Services Co., Ltd. from April 2018 to September 2018. From March 2019 to October 2020, she successively held the positions including the deputy director and the deputy director (in charge of overall works) of the Office of Board of Supervisors of Shenwan Hongyuan Group Co., Ltd. From March 2019 to March 2021, she concurrently served as the deputy director of the compliance risk control committee of the Securities and Futures Association in Xinjiang Uygur Autonomous Region; and she has concurrently served as the supervisor and the chairwoman of the office of board of supervisors of Shanghai Eastern Airlines Shenhong Equity Investment Fund Management Co., Ltd. since January 2020; the supervisor of Shenwan Hongyuan Industrial Investment Management Company Limited since September 2020. She served as the director of the Office of Board of Supervisors of Shenwan Hongyuan Group Co., Ltd. since October 2020. She also served as the arbitrator of Beijing Arbitration Commission since September 2012; the people's juror of the Second Intermediate People's Court of Beijing from September 2015 to September 2020, and she has concurrently served as the securities dispute mediator of the Securities Association of China since December 2016. Ms. Li has been an employee representative supervisor of Shenwan Hongyuan Group Co., Ltd. since May 2021. Ms. Li Yan obtained a bachelor's degree in law from Liaoning Normal University in July 1993, and a master's degree and a doctorate degree in law from Renmin University of China in July 1999 and July 2009, respectively, and she completed the postdoctoral research fellowship at the Institute of Law, Chinese Academy of Social Sciences in April 2013.

Ms. Zhou Jie (周潔) currently serves as an employee representative supervisor of Shenwan Hongyuan Group Co., Ltd. Her main work experience includes: Ms. Zhou Jie served as a teacher of the teaching and research division of Xinjiang Finance School from June 1994 to October 1996; the deputy manager and department secretary of the general division of the trading department of Hong Shan Securities of Hongyuan Trust from October 1996 to November 2000; the assistant to the director of the Office of General Manager of Hong Yuan Securities Co., Ltd. from November 2000 to September 2004. From September 2004 to November 2005, she served as the deputy general manager of the general management headquarter of the Office of General Manager as well as the director of the Office of General Manager in Xinjiang of Hong Yuan Securities Co., Ltd.; and the deputy director of the Office of General Manager of Hong Yuan Securities Co., Ltd. from November 2005 to April 2015. She has served as the deputy director of the Office of General Manager of Shenwan Hongyuan Group Co., Ltd. since April 2015, and concurrently served as the vice chairwoman of the labor union of Shenwan Hongyuan Group Co., Ltd. since June 2015; Ms. Zhou has been an employee representative supervisor of Shenwan Hongyuan Group Co., Ltd. since May 2021; she has served as a member of Shanghai Shenwan Hongyuan Public Welfare Foundation (in preparation) from December 2021 to July 2022; and a member of Shanghai Shenwan Hongyuan Public Welfare Foundation since July 2022. Ms. Zhou Jie obtained a bachelor's degree in economics from Lanzhou Business School in June 1994.

(3) Senior management

Mr. Huang Hao currently serves as an executive director, the general manager and a member and the vice chairman of the Executive Committee of Shenwan Hongyuan Group Co., Ltd. His main work experience is detailed in the main work experience of directors.

Ms. Ren Quansheng (任全勝) currently serves a member of the Executive Committee and the 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; a deputy general manager of Shenwan Hongyuan Group Co., Ltd. from May 2020 to May 2021; and the secretary to the Board of Directors (acting) of Shenwan Hongyuan Group Co., Ltd. from December 2020 to March 2021; she has been the chief financial officer of Shenwan Hongyuan Group Co., Ltd. since December 2020 and a member of the Executive Committee of Shenwan Hongyuan Group Co., Ltd. since May 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 a member of the Executive Committee 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; and assistant to general manager of Shenwan Hongyuan Group Co., Ltd. from August 2016 to May 2021. He has held the positions of executive director of Shenwan Hongyuan Industrial Investment Management Company Limited since December 2016 until now, and a member of the Executive Committee of Shenwan Hongyuan Group Co., Ltd. since May 2021 until now. Mr. Liu Yue 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.

Mr. Xu Liang (徐亮) currently serves as the secretary to the Board of Directors, joint company secretary and authorized representative, securities affairs representative and director of the office of the Board of Directors of Shenwan Hongyuan Group Co., Ltd. His main work experience includes: Mr. Xu was a researcher at the post-doctoral workstation of the Shenzhen Stock Exchange from July 2005 to May 2007; and successively served as the deputy general manager of the risk management department and the deputy general manager of the legal compliance headquarter of Hongyuan Securities Co., Ltd. (presided over work) from May 2007 to August 2009; he served as the director of the supervision office of Hongyuan Securities Co., Ltd. from August 2009 to February 2011, and concurrently served as the director of the office of the board of supervisors of Hongyuan Securities Co., Ltd. from October 2009 to February 2011, the director of the office of the discipline inspection commission of Hongyuan Securities Co., Ltd. from May 2010 to February 2011, and the director of the internal examination committee of securities issuance and the director of internal examination committee of investment banking of Hongyuan Securities Co., Ltd. in succession from August 2009 to January 2015. Mr. Xu served as the director of the office of the board of directors of Hongyuan Securities Co., Ltd. from February 2011 to April 2015, and served as the securities affairs representative from March 2011 to January 2015. He has served as the chairman of the board of supervisors of Xinjiang Financial Investment Asset Management Co., Ltd.* (新疆金投資產管理股份公司) since August 2017. He served as a non-executive director of Tibet Water Resources Ltd.* (西藏水資源有限公司) from December 2019 to June 2020; and the company director of Shenwan Hongyuan Group Co., Ltd. from February 2017 to May 2021. He has concurrently served as a director of Hongyuan Huizhi Investment Co., Ltd. since November 2013; and has been the securities affairs representative of Shenwan Hongyuan Group Co., Ltd. since January 2015; and the director of the office of the board of directors of Shenwan Hongyuan Group Co., Ltd. since April 2015; he concurrently served as the general manager of the legal risk control department from February 2017 to March 2020; he has concurrently served as a director of Hongyuan Futures Co., Ltd. since November 2017, a director of Hongyuan Huifu Capital Co., Ltd. since December 2017, and the chairman of Hongyuan Huizhi Investment Co., Ltd. since December 2020; he has served as the secretary to the Board of Directors, joint company secretary and authorized representative of Shenwan Hongyuan Group Co., Ltd. since March 2021; and he has concurrently served as the person temporarily in charge of the strategic management department of Shenwan Hongyuan Group Co., Ltd. since September 2021. Mr. Xu Liang obtained a bachelor's degree in law from Wuhan University School of Law in June 1997 majoring in economic law, a master's degree in law from Wuhan University School of Law in June 2002 majoring in civil and commercial law, a doctorate degree in law from Wuhan University School of Law in June 2005 majoring in civil and commercial law, and a degree of Executive Master of Business Administration from Cheung Kong Graduate School of Business in September 2015.

2. Positions in shareholder entities

Name	Name of shareholder entities	Position held in shareholder entities	Tenure	Whether receiving remuneration and allowances from shareholder entities
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
		Managing director of Office of the Directly Managed Enterprises Leading Group/Equity Management Department II	February 2021 to present	
Zhang Ying	Central Huijin Investment Ltd.	Managing director of Office of the Directly Managed Enterprises Leading Group/Equity Management Department II	August 2021 to present	Yes
		Designated director of Office of the Directly Managed Enterprises Leading Group/Equity Management Department II	September 2021 to present	
Shao Yalou	Central Huijin Investment Ltd.	Managing director of Office of the Directly Managed Enterprises Leading Group/Equity Management Department II	October 2022 to present	Yes
		Designated director of Office of the Directly Managed Enterprises Leading Group/Equity Management Department II		
Zhang Yigang	Sichuan Development Holding Co., Ltd.	Secretary of the Party Committee, Chairman	July 2022 to present	Yes
Zhu Zhilong	Shanghai Jiushi (Group) Co., Ltd.	Chief financial officer	September 2020 to present	Yes
Chen Yan	Central Huijin Investment Ltd.	Director of Policy Research Office of General Management Department	January 2020 to October 2022	Yes
		Managing director of General Management Department	October 2022 to present	Yes
Jiang Yang	Xinjiang Financial Investment Co., Ltd.	Deputy general manager	December 2019 to present	Yes

3. Positions in other entities

Name	Name of other entities	Position held in other entities	Tenure	Whether receiving remuneration and allowances from other entities
Liu Jian	Shenwan Hongyuan Securities Co., Ltd.	Executive director, chairman	September 2022 to present	Yes
		Chairman of the Executive Committee	December 2022 to present	
Ren Xiaotao	Shenwan Hongyuan Securities Co., Ltd.	Non-executive director	June 2019 to present	No
Zhang Ying	Shenwan Hongyuan Securities Co., Ltd.	Non-executive director	September 2021 to present	No
Shao Yalou	Shenwan Hongyuan Securities Co., Ltd.	Non-executive director	December 2022 to present	No
Zhang Yigang	Sichuan Urban and Rural Construction Investment Co., Ltd.	Chairman	February 2015 to November 2022	No
	Standing Committee of the Sichuan Provincial People's Congress	Member	January 2023 to present	No
	Urban and Rural Construction Environment and Resources Protection Committee of the Sichuan Provincial People's Congress	Vice chairman	January 2023 to present	No

Name	Name of other entities	Position held in other entities	Tenure	Whether receiving remuneration and allowances from other entities
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
Wu Changqi	Department of Strategic Management of the Guanghua School of Management of Peking University	Professor	September 2001 to present	Yes
	School of Management of Shandong University	Dean and chair professor	October 2019 to present	Yes
	International Operation and Management Institute of Peking University	Executive deputy head	September 2006 to present	No
	National High-tech Industrial Development Zone Development Strategy Institute of Peking University	Executive deputy head	January 2021 to present	Yes
	The fifth session of the Chinese Institute of Business Administration	Executive vice chairman (part-time)	September 2014 to present	No
	The 14th Five-Year National Intellectual Property Planning Guidance Expert Group of the China National Intellectual Property Administration	Expert (part-time)	August 2019 to present	No
	Expert Committee of the China Council for the Promotion of International Trade	Expert member (part-time)	February 2015 to present	No
	Strategic Management Professional Committee of the China Management Science Society	Chairman (part-time)	September 2016 to present	No
	China International Economic Cooperation Society	Executive director (part-time)	November 2019 to present	No
	Haier Smart Home Co., Ltd. (600690.SH, 690D, 6690.HK)	External director	April 2013 to June 2022	Yes
	Yijiahe Technology Co., Ltd. (603666.SH)	Independent director	August 2016 to September 2022	Yes
	Aixin Life Insurance Co., Ltd.	Independent director	August 2017 to present	Yes
	Tianneng Co., Ltd. (688819.SH)	Independent director	February 2019 to present	Yes
	Wanhua Chemical Co., Ltd. (600309.SH)	Independent director	April 2022 to present	Yes
Chen Hanwen	Nanjing Audit University	Professor	November 2021 to present	Yes
	University of International Business and Economics	Doctoral tutor	May 2015 to present	Yes
	Dalian Wanda Commercial Management Group Co., Ltd.	Independent director	May 2017 to present	Yes
	Shanghai Fuiou Payment Service Co., Ltd.	Independent director	May 2017 to present	Yes
	Beijing Tri-Prime Gene Pharmaceutical Co., Ltd. (837344.OC)	Independent director	November 2018 to present	Yes
	Bank of Communications Co., Ltd. (601328.SH, 03328.HK)	External supervisor	June 2019 to present	Yes
	China Shenhua Energy Co., Ltd. (601088.SH, 01088.HK)	Independent director	May 2020 to present	Yes

Name	Name of other entities	Position held in other entities	Tenure	Whether receiving remuneration and allowances from other entities
Zhao Lei	China Law Journal Research Association	Executive member	August 2015 to present	No
	China Securities Law Research Association	Executive member	May 2016 to present	No
	Wuhan University Institute of International Law, a national high-end think tank	Part-time researcher	November 2016 to present	No
	Institute of Law of the Chinese Academy of Social Sciences	Associate researcher and researcher (professor)	December 2016 to present	Yes
	Southwest University of Political Science and Law	Doctoral tutor of students in Civil and Commercial Law	September 2019 to present	No
	China Commercial Law Research Association	Executive member	October 2019 to present	No
	Lanzhou University	External professor	October 2019 to present	Yes
	China Trial Theory Research Association	Expert member (part-time) of the Commercial Trial Professional Committee and an expert member (parttime) of the Financial Trial Professional Committee	October 2019 to present	No
	China Bank Law Research Association	Executive member	November 2020 to present	No
	Nanning Department Store Co. Ltd. (600712.SH)	Independent director	April 2018 to present	Yes
	Shanghai Haohai Biological Technology Co., Ltd. (688366.SH, 06826.HK)	Independent director	June 2020 to present	Yes
Fang Rongyi	Fullgoal Fund Management Co., Ltd.	Vice chairman	December 2014 to present	No
	E-Capital Transfer Co., Ltd	Supervisor	December 2014 to present	No
	Financial Accounting Professional Committee of the Securities Association of China	Vice chairman	May 2018 to present	No
	East China University of Political Science and Law	Part-time/visiting professor	May 2018 to present	No
	Shenwan Hongyuan Securities Co., Ltd.	Supervisor, chairman of the board of supervisors	September 2021 to present	Yes
	Professional Committee of the Board of Supervisors of China Association for Public Companies	Vice chairman	November 2021 to present	No
	Shanghai Shenwan Hongyuan Public Welfare Foundation	Chairman	July 2022 to present	No
Chen Yan	Shenwan Hongyuan Securities Co., Ltd.	Supervisor	May 2021 to present	No
Jiang Yang	Shenwan Hongyuan Securities Co., Ltd.	Supervisor	January 2015 to present	No
	Xinjiang Exchange Market Investment and Construction Group Co., Ltd.	Director	April 2015 to present	No
	Xinjiang Tianshan Wool Textile Co., Ltd.	Director	August 2016 to present	No
	Xinjiang Kaidi Investment Co., Ltd.	Director and deputy general manager	March 2020 to present	No
	Xinjiang Tianshan Taifu Equity Investment Fund Management Co., Ltd.	Chairman	December 2017 to present	No
	Xinjiang Kaidi Mineral Investment Co., Ltd.	Director	March 2020 to present	No
Li Yan	Beijing Arbitration Commission	Arbitrator	September 2012 to present	Yes
	Securities Association of China	Securities dispute mediator	December 2016 to present	No
	Shanghai Eastern Airlines Shenhong Equity Investment Fund Management Co., Ltd.	Supervisor and the chairwoman of the board of supervisors	January 2020 to present	No
	Shenwan Hongyuan Industrial Investment Management Company Limited	Supervisor	September 2020 to present	No

Name	Name of other entities	Position held in other entities	Tenure	Whether receiving remuneration and allowances from other entities
Zhou Jie	Shanghai Shenwan Hongyuan Public Welfare Foundation	Member	July 2022 to present	No
Liu Yue	Shenwan Hongyuan Industrial Investment Management Company Limited	Executive director	December 2016 to present	No
Xu Liang	Xinjiang Financial Investment Asset Management Co., Ltd.	Chairman of the board of supervisors	August 2017 to present	No
	Hongyuan Futures Co., Ltd.	Director (part-time)	November 2017 to present	
	Hongyuan Huifu Capital Co., Ltd.	Director (part-time)	December 2017 to present	
	Hongyuan Huizhi Investment Co., Ltd.	Director (part-time)	November 2013 to present	
		Chairman (part-time)	December 2020 to present	

4. Penalty imposed by any securities regulatory authorities against the current and resigned directors, supervisors and senior management during the Reporting Period of Shenwan Hongyuan Group Co., Ltd. in the last three years

On February 10, 2022, Mr. Wu Changqi, an independent non-executive director of the Company, was publicly criticised by the Hong Kong Stock Exchange for relevant matters in the period when he served as an independent non-executive director of Beijing Media Corporation Limited (a company listed on the Hong Kong Stock Exchange, stock code: 1000) ("Beijing Media") in relation to his breach of Rule 3.08(f) of the Hong Kong Listing Rules under his Declaration and Undertaking with regard to Directors given to the Hong Kong Stock Exchange in the form set out in Appendix 5H to the Hong Kong Listing Rules, for failing to ensure Beijing Media had maintained adequate and effective internal control in place.

Mr. Wu Changqi has resigned as an independent non-executive director of Beijing Media on November 25, 2021, and has attended 24 hours of training on regulatory and legal topics (including compliance of the Hong Kong Listing Rules) as required by the Hong Kong Stock Exchange.

For details, please refer to the relevant announcement disclosed by the Company at website of Cninfo at www.cninfo.com.cn. and the website of HKExnews at www.hkexnews.hk on February 14, 2022, and the regulatory announcement published by the Hong Kong Stock Exchange on the website of the Hong Kong Stock Exchange on February 10, 2022.

Save as disclosed above, 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) 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, members of the Executive Committee, chief financial officer, and secretary to the Board of Directors.

2. Remuneration policy for Directors

The remuneration of the executive Directors of the Company is implemented in accordance with the Remuneration Management System of the Company and is linked to the contribution of their positions and the results of their personal assessment. The non-executive Directors do not receive remuneration from the Company. The remuneration standards for the independent non-executive Directors of the Company are determined with reference to the remuneration, allowance and subsidy levels of other financial enterprises.

3. 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.

4. Distribution of total annual remuneration among directors, supervisors and senior management

During the Reporting Period, the total amount of remuneration for the current year before tax received by the directors, supervisors and senior management of the Company amounted to RMB10.6263 million. In particular, the remuneration before tax of directors, supervisors and senior management of the Company accounts for 38.65%, 30.34% and 31.01% of the total amount of remuneration, respectively.

5. Actual payment of remuneration to directors, supervisors and senior management: For details, please refer to the "Particulars of Directors, Supervisors and Senior Management".

VI. MEETINGS OF THE BOARD OF DIRECTORS CONVENED AND PERFORMANCE OF DUTIES BY DIRECTORS 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 appoint or dismiss the Company's general manager, the deputy general manager, a member of the Executive Committee, chief financial officer, the secretary to the Board and other senior management members of the Company; 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 these 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 Executive Committee of the; Company and examine the Executive Committee'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 Company'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. 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 Rules of Procedure of the Board of Directors pursuant to relevant regulatory provisions, 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. Liu Jian, 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, etc. 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 organize the drafting of important rules and regulations related to the operation and management of the Company; to organize the formulation of general rules and regulations related to the operation and management of the Company; to recommend the appointment or dismissal of deputy general manager, chief financial officer and other senior management members; 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. Performance of Duties by the Board of Directors and Directors

(1) Composition of the Board of Directors

In accordance with the Articles of Association, as of the end of the Reporting Period, the fifth session of Board of Directors of the Company comprises 11 directors:

Executive directors: Mr. Liu Jian (Chairman), Mr. Huang Hao (general manager)

Non-executive directors: Mr. Ren Xiaotao, Mr. Zhang Yigang, Mr. Zhu Zhilong, Ms. Zhang Ying, Mr. Shao Yalou

Independent non-executive directors: Ms. Yeung Siuman Shirley, Mr. Wu Changqi, Mr. Chen Hanwen, Mr. Zhao Lei

(2) The meetings of the Board of Directors

Session of meeting	Convening date	Titles of resolutions of the meeting	Status of resolutions	Disclosure date and disclosure index
The seventh meeting of the fifth session of the Board of Directors	March 30, 2022	1. The Resolution Regarding the Consideration of the 2021 Work 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 March 31, 2022 and the website of HKExnews at www.hkexnews.hk on March 30, 2022.
		2. The Resolution Regarding the Consideration of the 2021 Work Report of the General Manager of the Company	Approved	
		3. The Resolution Regarding the Consideration of the 2021 Annual Financial Report of the Company	Approved	
		4. The Resolution Regarding the 2021 Profit Distribution Proposal of the Company	Approved	
		5. The Resolution Regarding the Consideration of the 2021 Annual Report of the Company	Approved	
		6. The Resolution Regarding the Consideration of the 2021 Internal Control Evaluation of Shenwan Hongyuan Group Co., Ltd.	Approved	
		7. The Resolution Regarding the Consideration of the 2021 Corporate Social Responsibility Report/ Environmental, Social and Governance Report	Approved	
		8. The Resolutions Regarding the Estimated Ordinary Related Party Transactions for 2022	Approved	
		9. The Resolution Regarding the Granting of General Mandate to the Board of Directors to Issue Additional A Shares and H Shares of the Company	Approved	
		10. The Resolution Regarding the Public Issuance of Corporate Bonds by Shenwan Hongyuan Group Co., Ltd. (voted item by item)	Approved	
		11. The Resolution Regarding the Authorization of Convening 2021 Annual General Meeting of the Company	Approved	

Session of meeting	Convening date	Titles of resolutions of the meeting	Status of resolutions	Disclosure date and disclosure index
The eighth meeting of the fifth session of the Board of Directors	April 29, 2022	1. The Resolution Regarding the Consideration of the 2022 First Quarterly Report of Shenwan Hongyuan Group Co., Ltd. 2. The Resolution Regarding the Re-appointment of Auditors of the Company for 2022	Approved 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, 2022 and the website of HKExnews at www.hkexnews.hk on April 29, 2022.
The ninth meeting of the fifth session of the Board of Directors	June 30, 2022	1. The Resolution Regarding the Consideration of the 2022 Business Plan of Shenwan Hongyuan Group Co., Ltd. 2. The Resolution Regarding the Amendments to the Risk Preference of Shenwan Hongyuan Group Co., Ltd. 3. The Resolution Regarding the Consideration of the 2022 Risk Tolerance of Shenwan Hongyuan Group Co., Ltd. 4. The Resolution Regarding the Amendments to the Plan of Granting Authorization by the Board of Directors to the Executive Committee of Shenwan Hongyuan Group Co., Ltd.	Approved Approved Approved 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 July 1, 2022 and the website of HKExnews at www.hkexnews.hk on June 30, 2022.
The tenth meeting of the fifth session of the Board of Directors	August 5, 2022	1. The Resolution Regarding the Nomination of Candidates for Directors of the Company 2. The Resolution Regarding the Authorisation to Conven the 2022 First Extraordinary General Meeting 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 6, 2022 and the website of HKExnews at www.hkexnews.hk on August 5, 2022.
The eleventh meeting of the fifth session of the Board of Directors	August 26, 2022	1. The Resolution Regarding the Election of Chairman of the Fifth Session of the Board of Directors 2. The Resolution Regarding the Adjustment of Members of Special Committees of the Board of Directors 3. The Resolution Regarding the Appointment of Authorized Representative of the Company	Approved Approved 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 27, 2022 and the website of HKExnews at www.hkexnews.hk on August 26, 2022.
The twelfth meeting of the fifth session of the Board of Directors	August 30, 2022	The Resolution Regarding the Consideration of 2022 Interim Report of the Company	Approved	Announcements of resolution were exempt from disclosure.

Session of meeting	Convening date	Titles of resolutions of the meeting	Status of resolutions	Disclosure date and disclosure index
The thirteenth meeting of the fifth session of the Board of Directors	October 28, 2022	The Resolution Regarding the Consideration of the 2022 Third Quarterly Report of the Company	Approved	Announcements of resolution were exempt from disclosure.
The fourteenth meeting of the fifth session of the Board of Directors	December 5, 2022	1. The Resolution Regarding the Amendments to the Rules of Procedure of the Board of Directors of Shenwan Hongyuan Group Co., Ltd. 2. The Resolution Regarding the Change of the Name of the Strategic Committee of the Board of Directors and Amendment to the Working Rules of the Committee 3. The Resolution Regarding the Amendments to the Proceeds Management System of Shenwan Hongyuan Group Co., Ltd. 4. The Resolution Regarding the Nomination of Candidate for Director of the Company 5. The Resolution Regarding the Authorization to Convene the Extraordinary General Meeting of the Company	Approved Approved Approved Approved 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 6, 2022 and the website of HKExnews at www.hkexnews.hk on December 5, 2022.
The fifteenth meeting of the fifth session of the Board of Directors	December 23, 2022	1. The Resolution Regarding the Adjustment of the Chairman of the Executive Committee of Shenwan Hongyuan Group Co., Ltd. 2. The Resolution Regarding the Consideration of the Remuneration Settlement Plan for Senior Management of Shenwan Hongyuan for 2021 3. The Resolution Regarding the Amendments of the Investor Relations Management System of Shenwan Hongyuan Group Co., Ltd.	Approved Approved 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 24, 2022 and the website of HKExnews at www.hkexnews.hk on December 23, 2022.
The sixteenth meeting of the fifth session of the Board of Directors	December 29, 2022	The Resolution Regarding the Adjustment of Members of Special Committees 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 December 30, 2022 and the website of HKExnews at www.hkexnews.hk on December 29, 2022.

(3) 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 required attendance during the Reporting Period	Number of on-site meetings of the Board of Directors attended	Number of meetings of the Board of Directors attended by communication	Number of meetings of the Board of Directors attended by proxy	Number of absence	Whether or not attended the meetings of the Board of Directors in person for two consecutive times	Number of general meetings attended
Liu Jian	Executive director, chairman	6	2	4	0	0	Nil	1
Chu Xiaoming	Executive director, chairman (former member)	4	2	2	0	0	Nil	1
Huang Hao	Executive director, general manager	10	6	4	0	0	Nil	3
Ge Rongrong	Non-executive director (former member)	9	4	5	0	0	Nil	2
Ren Xiaotao	Non-executive director	10	4	6	0	0	Nil	3
Zhang Yigang	Non-executive director	10	0	10	0	0	Nil	0
Zhu Zhilong	Non-executive director	10	0	10	0	0	Nil	2
Zhang Ying	Non-executive director	10	7	3	0	0	Nil	3
Shao Yalou [note]	Non-executive director	1	1	0	0	0	Nil	0
Yeung Siuman Shirley	Independent non-executive director	10	0	10	0	0	Nil	2
Wu Changqi	Independent non-executive director	10	1	9	0	0	Nil	3
Chen Hanwen	Independent non-executive director	10	0	10	0	0	Nil	2
Zhao Lei	Independent non-executive director	10	1	9	0	0	Nil	3

Note: On December 5, 2022, the fourteenth meeting of the fifth session of the Board of Directors of the Company considered and approved the Resolution regarding the Nomination of Candidate for Director of the Company to nominate Mr. Shao Yalou as a candidate for non-executive director of the fifth session of the Board of Directors of the Company. On December 29, 2022, the second extraordinary general meeting of the Company in 2022 considered and approved the Resolution regarding the Election of Director of the Company and elected Mr. Shao Yalou as a director (non-executive director) of the fifth session of the Board of Directors of the Company.

(4) Objections raised by directors on relevant matters of the Company

During the Reporting Period, the directors did not raise any objections on relevant matters of the Company.

(5) *Other details about the performance of duties by the directors*

Were there any suggestions from the directors adopted by the Company?

√ Yes ☐No

During the Reporting Period, all directors of the Company were diligent and responsible, and strictly abided by the relevant national laws and regulations and the Articles of Association and other regulations. They continuously strengthened their own construction and continued to promote good and effective corporate governance, to help enhance the development quality and core competitiveness of the Company. All directors attended Board meetings and general meetings in accordance with regulations to discuss resolutions in depth, make suggestions based on the operation management of the Company, and put forward professional opinions on corporate governance, strategic planning, risk management, system revision, etc. They continuously supervised and promoted the implementation of resolutions of the Board of Directors to effectively safeguard the legitimate rights and interests of the Company and all shareholders.

(6) *Performance of duties by independent non-executive directors*

As of the end of the Reporting Period, the Board of Directors of the Company comprised four independent non-executive directors: Ms. Yeung Siuman Shirley, Mr. Wu Changqi, Mr. Chen Hanwen, Mr. Zhao Lei.

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 Non-executive Director System 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.

(7) *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 2022 are as follows:

Name	Position	Training method and content
Liu Jian	Executive director, chairman	1. attended the 2022 Second Initial Training for Directors, Supervisors and Senior Management of Listed Companies held by Shenzhen Stock Exchange from September 22, 2022 to October 21, 2022; 2. received the "Hong Kong Capital Markets Regulatory Regulations and News Briefing" (June to July 2022) issued by Clifford Chance on September 30, 2022.
Huang Hao	Executive director	1. attended the 2022 Supervisory Work Conference and Specialized Training on Corporate Governance for Listed Companies in the Region (Phase I) held by Xinjiang Securities Regulatory Bureau on February 25, 2022; 2. attended the Special Training on the Presentation of the Results of Listed Companies held by China Listed Companies Association on March 30, 2022; 3. attended the Live Training on "Regulation and Risk Prevention of the Performance of Directors, Supervisors and Senior Management disclosed in the Annual Reports of Listed Companies" held by Shanxi Listed Companies Association on April 21, 2022; 4. attended the Experience Sharing and Training on Results Presentation of Listed Companies, and Training for Institutional Investors on the Focus of Results Presentation of Listed Companies held by China Listed Companies Association on April 28, 2022; 5. attended the ESG Training Series for Listed Companies (31st in total) held by China Listed Companies Association October 27, 2022; 6. attended the Training on Improving Corporate Governance and Improving the Quality of Listed Companies, and the Training on the Theory and Practice of Corporate Governance held by China Listed Companies Association on December 12, 2022; 7. attended the Training on Honesty and Trustworthiness, Focusing on the Main Industry and Promoting the High Quality Development of Listed Companies held by China Listed Companies Association on December 14, 2022; 8. received the training material of "Practicing ESG Concept to Enhance ESG Report" from China Listed Companies Association on March 14, 2022; 9. received the "Hong Kong Capital Markets Regulatory Regulations and News Briefing" (April to May 2022) issued by Clifford Chance on July 11, 2022; 10. received the "Special Edition on 2022 Hong Kong Capital Markets Regulatory Regulations and News Briefing on Negative Profit Alert/Positive Profit Alert Announcement" issued by Clifford Chance on August 5, 2022; 11. received the "Hong Kong Capital Markets Regulatory Regulations and News Briefing" (June to July 2022) issued by Clifford Chance on September 30, 2022.

Name	Position	Training method and content
Ren Xiaotao	Non-executive director	1. attended the 2022 Supervisory Work Conference and Specialized Training on Corporate Governance for Listed Companies in the Region (Phase I) held by Xinjiang Securities Regulatory Bureau on February 25, 2022; 2. attended the ESG Training Series for Listed Companies (31st in total) held by China Listed Companies Association October 27, 2022; 3. received the training material of "Practicing ESG Concept to Enhance ESG Report" from China Listed Companies Association on March 14, 2022; 4. received the "Hong Kong Capital Markets Regulatory Regulations and News Briefing" (April to May 2022) issued by Clifford Chance on July 11, 2022; 5. received the "Special Edition on 2022 Hong Kong Capital Markets Regulatory Regulations and News Briefing on Negative Profit Alert/Positive Profit Alert Announcement" issued by Clifford Chance on August 5, 2022; 6. received the "Hong Kong Capital Markets Regulatory Regulations and News Briefing" (June to July 2022) issued by Clifford Chance on September 30, 2022.
Zhang Yigang	Non-executive director	1. attended the 2022 Supervisory Work Conference and Specialized Training on Corporate Governance for Listed Companies in the Region (Phase I) held by Xinjiang Securities Regulatory Bureau on February 25, 2022; 2. attended the Live Training on "Regulation and Risk Prevention of the Performance of Directors, Supervisors and Senior Management disclosed in the Annual Reports of Listed Companies" held by Shanxi Listed Companies Association on April 21, 2022; 3. received the training material of "Practicing ESG Concept to Enhance ESG Report" from China Listed Companies Association on March 14, 2022; 4. received the "Hong Kong Capital Markets Regulatory Regulations and News Briefing" (April to May 2022) issued by Clifford Chance on July 11, 2022; 5. received the "Special Edition on 2022 Hong Kong Capital Markets Regulatory Regulations and News Briefing on Negative Profit Alert/Positive Profit Alert Announcement" issued by Clifford Chance on August 5, 2022; 6. received the "Hong Kong Capital Markets Regulatory Regulations and News Briefing" (June to July 2022) issued by Clifford Chance on September 30, 2022.

Name	Position	Training method and content
Zhu Zhilong	Non-executive director	1. attended the 2022 Supervisory Work Conference and Specialized Training on Corporate Governance for Listed Companies in the Region (Phase I) held by Xinjiang Securities Regulatory Bureau on February 25, 2022; 2. received the training material of "Practicing ESG Concept to Enhance ESG Report" from China Listed Companies Association on March 14, 2022; 3. received the "Hong Kong Capital Markets Regulatory Regulations and News Briefing (April to May 2022)" issued by Clifford Chance on July 11, 2022; 4. received the "Special Edition on 2022 Hong Kong Capital Markets Regulatory Regulations and News Briefing on Negative Profit Alert/Positive Profit Alert Announcement" issued by Clifford Chance on August 5, 2022; 5. received the "Hong Kong Capital Markets Regulatory Regulations and News Briefing" (June to July 2022) issued by Clifford Chance on September 30, 2022.
Zhang Ying	Non-executive director	1. attended the 2022 Supervisory Work Conference and Specialized Training on Corporate Governance for Listed Companies in the Region (Phase I) held by Xinjiang Securities Regulatory Bureau on February 25, 2022; 2. attended the Live Training on "Regulation and Risk Prevention of the Performance of Directors, Supervisors and Senior Management disclosed in the Annual Reports of Listed Companies" held by Shanxi Listed Companies Association on April 21, 2022; 3. attended the training on Financial Derivatives and Valuation Models held by PwC on June 29, 2022; 4. attended the 2022 First Initial Training for Directors, Supervisors and Senior Management of Listed Companies held by Shenzhen Stock Exchange and passed the "Online Learning of Innovative Growth Academy of Shenzhen Stock Exchange" from July 13, 2022 to August 12, 2022; 5. received the training material of "Practicing ESG Concept to Enhance ESG Report" from China Listed Companies Association on March 14, 2022; 6. received the "Hong Kong Capital Markets Regulatory Regulations and News Briefing" (April to May 2022) issued by Clifford Chance on July 11, 2022; 7. received the "Special Edition on 2022 Hong Kong Capital Markets Regulatory Regulations and News Briefing on Negative Profit Alert/Positive Profit Alert Announcement" on August 5, 2022; 8. received the "Hong Kong Capital Markets Regulatory Regulations and News Briefing" (June to July 2022) on September 30, 2022.

Name	Position	Training method and content
Yeung Siuman Shirley	Independent non-executive director	1. attended the 2022 Supervisory Work Conference and Specialized Training on Corporate Governance for Listed Companies in the Region (Phase I) held by Xinjiang Securities Regulatory Bureau on February 25, 2022; 2. attended the 132nd Follow-up Training Course for Independent Directors of Listed Companies held by the Shenzhen Stock Exchange from December 14, 2022 to January 11, 2023; 3. received the training material of "Practicing ESG Concept to Enhance ESG Report" from China Listed Companies Association on March 14, 2022; 4. received the "Hong Kong Capital Markets Regulatory Regulations and News Briefing" (April to May 2022) issued by Clifford Chance on July 11, 2022; 5. received the "Special Edition on 2022 Hong Kong Capital Markets Regulatory Regulations and News Briefing on Negative Profit Alert/Positive Profit Alert Announcement" issued by Clifford Chance on August 5, 2022; 6. received the "Hong Kong Capital Markets Regulatory Regulations and News Briefing" (June to July 2022) issued by Clifford Chance on September 30, 2022.
Wu Changqi	Independent non-executive director	1. attended the 2022 Supervisory Work Conference and Specialized Training on Corporate Governance for Listed Companies in the Region (Phase I) held by Xinjiang Securities Regulatory Bureau on February 25, 2022; 2. attended the distance training on "Interpretation of the Rules for Independent Directors of Listed Companies" held by the China Listed Companies Association on March 16, 2022; 3. attended the distance training on "Interpretation of the Rules on Spin-off of Listed Companies" held by China Listed Companies Association on March 27, 2022; 4. attended the series salons on "Performance of Independent Directors of Listed Companies (Phase I of 2022)" held by the China Listed Companies Association on July 22, 2022; 5. attended the 132nd Follow-up Training Course for Independent Directors of Listed Companies held by the Shenzhen Stock Exchange from December 14, 2022 to January 11, 2023; 6. received the training material of "Practicing ESG Concept to Enhance ESG Report" from China Listed Companies Association on March 14, 2022; 7. received the "Hong Kong Capital Markets Regulatory Regulations and News Briefing" (April to May 2022) issued by Clifford Chance on July 11, 2022; 8. received the "Special Edition on 2022 Hong Kong Capital Markets Regulatory Regulations and News Briefing on Negative Profit Alert/Positive Profit Alert Announcement" issued by Clifford Chance on August 5, 2022; 9. received the "Hong Kong Capital Markets Regulatory Regulations and News Briefing" (June to July 2022) issued by Clifford Chance on September 30, 2022.

Name	Position	Training method and content
Chen Hanwen	Independent non-executive director	1. attended the 2022 Supervisory Work Conference and Specialized Training on Corporate Governance for Listed Companies in the Region (Phase I) held by Xinjiang Securities Regulatory Bureau on February 25, 2022; 2. attended the Live Training on "Regulation and Risk Prevention of the Performance of Directors, Supervisors and Senior Management disclosed in the Annual Reports of Listed Companies" held by Shanxi Listed Companies Association on April 21, 2022; 3. received the training material of "Practicing ESG Concept to Enhance ESG Report" from China Listed Companies Association on March 14, 2022; 4. received the "Hong Kong Capital Markets Regulatory Regulations and News Briefing" (April to May 2022) issued by Clifford Chance on July 11, 2022; 5. received the "Special Edition on 2022 Hong Kong Capital Markets Regulatory Regulations and News Briefing on Negative Profit Alert/Positive Profit Alert Announcement" issued by Clifford Chance on August 5, 2022; 6. received the "Hong Kong Capital Markets Regulatory Regulations and News Briefing" (June to July 2022) issued by Clifford Chance on September 30, 2022.
Zhao Lei	Independent non-executive director	1. attended the 2022 Supervisory Work Conference and Specialized Training on Corporate Governance for Listed Companies in the Region (Phase I) held by Xinjiang Securities Regulatory Bureau on February 25, 2022; 2. attended the Live Training on "Regulation and Risk Prevention of the Performance of Directors, Supervisors and Senior Management disclosed in the Annual Reports of Listed Companies" held by Shanxi Listed Companies Association on April 21, 2022; 3. received the training material of "Practicing ESG Concept to Enhance ESG Report" from China Listed Companies Association on March 14, 2022; 4. received the "Hong Kong Capital Markets Regulatory Regulations and News Briefing" (April to May 2022) issued by Clifford Chance on July 11, 2022; 5. received the "Special Edition on 2022 Hong Kong Capital Markets Regulatory Regulations and News Briefing on Negative Profit Alert/Positive Profit Alert Announcement" issued by Clifford Chance on August 5, 2022; 6. received the "Hong Kong Capital Markets Regulatory Regulations and News Briefing" (June to July 2022) issued by Clifford Chance on September 30, 2022; 7. received the "Company Secretary Continuing Professional Development Training Materials" on October 27, 2022.

(8) *Mechanism for the Board to obtain independent views and opinions*

At Board meetings, directors can express their opinions freely, and major decisions shall be made only after thorough discussions. Directors may also engage independent professional institutions at the Company's expense after going through due procedures, if they deem it necessary to get independent professional opinions. If any director has interests in a proposal to be considered by the Board, he or she should abstain from discussion and voting on the relevant proposal, and will not be counted in the quorum of the relevant proposal. In addition, independent non-executive directors should also express objective and impartial independent opinions on the matters discussed by the Company. The independent non-executive directors of the Company do not hold any other position in the Company apart from the director, has no relationship with the Company and its substantial shareholders that may affect its independent and objective judgment, and has no business or financial interests in the Company and its subsidiaries. Therefore, the participation of independent non-executive directors can also ensure that the Board has strong and sufficient independent elements. During the Reporting Period, the Board has reviewed the implementation of the above-mentioned mechanism and believed that the mechanism was applicable and effective.

6. Performance of duties by the special committees of the Board of Directors

The Company has established four special committees of the Board of Directors, namely the Strategy and ESG 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.

Composition of the special committees of the Board of Directors during the Reporting Period:

Strategy and ESG Committee of the Board of Directors

Chairman: Liu Jian, Chu Xiaoming (former member); Members: Huang Hao, Ge Rongrong (former member), Wu Changqi, Ren Xiaotao, Shao Yalou

Remuneration and Nomination Committee of the Board of Directors

Chairman: Wu Changqi; Members: Liu Jian, Chu Xiaoming (former member), Chen Hanwen, Zhao Lei, Zhang Ying

Audit Committee of the Board of Directors

Chairman: Chen Hanwen; Members: Zhu Zhilong, Yeung Siuman Shirley, Zhao Lei, Zhang Ying

Risk Control Committee of the Board of Directors

Chairman: Ren Xiaotao, Ge Rongrong (former member); Members: Huang Hao, Yeung Siuman Shirley, Zhao Lei, Shao Yalou

(1) The main responsibilities of the Strategy and ESG Committee of the Board of Directors 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; study ESG-related planning, objectives, systems and major issues, review ESG-related reports and provide advisory recommendations to the Board of Directors; supervise and inspect the implementation of ESG work and provide timely guidance; other duties as provided in the Articles of Association and other matters authorized by the Board.

Meetings of the Strategy and ESG Committee of the Board of Directors convened during the Reporting Period:

Name of Committee	Member	Number of meetings convened	Date of the meeting	Content of meeting	Important comments and suggestions made	Other performance of duties	Specific objection (if any)
Strategy and ESG Committee of the Board of Directors [Note]	Chairman: Liu Jian, Chu Xiaoming (former member); Members: Huang Hao, Ge Rongrong (former member), Wu Changqi, Ren Xiaotao, Shao Yalou	2022 first meeting of the Strategy Committee of the Board of Directors	March 11, 2022	1. Considered the 2021 Report on Performance of Duties by the Strategy Committee of the Board of Directors; 2. Considered the "2021 Social Responsibility Report/ Environmental, Social and Governance Report of Shenwan Hongyuan Group Co., Ltd.", and heard the "Report on the Establishment of ESG Management Leadership Group" and "Report on the Action Plan for ESG Management Improvement of the Company".	It is recommended to strengthen external communication, expand ESG publicity channels, and further promote the in-depth integration of ESG and the operation of the Company.	-	Nil
		2022 second meeting of the Strategy Committee of the Board of Directors	October 21, 2022	1. Heard the Report on the Work of the Company in Serving the National Strategy; 2. Heard the Report on the Strategic Management of the Company; 3. Attended the meeting of the Audit Committee of the Board of Directors	-	-	Nil
		2022 third meeting of the Strategy Committee of the Board of Directors	December 1, 2022	Considered the Resolution Regarding the Change of the Name of the Strategic Committee of the Board of Directors and Amendment to the Working Rules of the Committee	-	-	Nil

Note: on December 5, 2022, as considered and approved at the fourteenth meeting of the fifth session of the Board of Directors of the Company, the Strategy Committee of the Board of Directors was renamed as the Strategy and ESG Committee of the Board of Directors, with effective from the relevant resolution considered and approved at the 2022 second extraordinary general meeting of the Company held on December 29, 2022.

(2) The main responsibilities of the Remuneration and Nomination Committee of the Board of Directors 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.

Meetings of the Remuneration and Nomination Committee of the Board of Directors convened during the Reporting Period:

Name of Committee	Member	Number of meetings convened	Date of the meeting	Content of meeting	Important comments and suggestions made	Other performance of duties	Specific objection (if any)
Remuneration and Nomination Committee of the Board of Directors	Chairman: Wu Changqi; Members: Liu Jian, Chu Xiaoming (former member), Chen Hanwen, Zhao Lei, Zhang Ying	2022 first meeting of the Remuneration and Nomination Committee of the Board of Directors	March 11, 2022	Considered the 2021 Report on Performance of Duties by the Remuneration and Nomination Committee of the Board of Directors	-	-	Nil
		2022 second meeting of the Remuneration and Nomination Committee of the Board of Directors	August 5, 2022	Considered the Resolution on the Consideration of the Qualifications of the Candidates for Directors of the Company	-	Assessment of the diversity of Board members and review of the qualification and conditions of candidates for directors	Nil
		2022 third meeting of the Remuneration and Nomination Committee of the Board of Directors	November 25, 2022	Considered the Resolution on the Consideration of the Qualifications of the Candidates for Directors of the Company	-	Assessment of the diversity of Board members and review of the qualification and conditions of candidates for directors	Nil
		2022 fourth meeting of the Remuneration and Nomination Committee of the Board of Directors	December 17, 2022	1. Considered the Resolution on Consideration of the 2021 Remuneration Settlement Plan for Senior Management of Shenwan Hongyuan 2. Considered the Resolution on the Consideration of the Qualifications of the Senior Management of the Company.	-	Consideration of the remuneration management of senior management, and review of the qualification and conditions of candidates for senior management of the Company	Nil

(3) The main responsibilities of the Audit Committee of the Board of Directors 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 programs 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.

Meetings of the Audit Committee of the Board of Directors convened during the Reporting Period:

Name of Committee	Member	Number of meetings convened	Date of the meeting	Content of meeting	Important comments and suggestions made	Other performance of duties	Specific objection (if any)
Audit Committee of the Board of Directors	Chairman: Chen Hanwen; Members: Zhu Zhilong, Yeung Siuman Shirley, Zhao Lei, Zhang Ying	2022 first meeting of the Audit Committee of the Board of Directors and the first meeting between the independent directors and certified public accountants responsible for annual audit	January 26, 2022	(I) Audit Committee: 1. Reviewed the 2021 unaudited financial statements of the Company; 2. Reviewed the audit schedule for annual financial report; 3. 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 2021; 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.	Recommended that external auditors play a full role in enhancing communication with the Company regarding risk warning and management recommendations	Supervision of the implementation of the annual audit of the external auditors, and full discussion of the financial issues with the management of the Company	Nil
		2022 second meeting of the Audit Committee of the Board of Directors	March 1, 2022	Considered the 2021 Financial Statements of the Company	–	Supervision of the annual audit of the Company	Nil

Name of Committee	Member	Number of meetings convened	Date of the meeting	Content of meeting	Important comments and suggestions made	Other performance of duties	Specific objection (if any)
		2022 third meeting of the Audit Committee of the Board of Directors and the second meeting between the independent directors and certified public accountants responsible for annual audit	March 9, 2022	(I) Audit Committee: 1. Considered the 2021 Annual Report of the Company; 2. Considered the 2021 Internal Control Evaluation Report of the Company; 3. Considered the 2021 Report on Performance of Duties by the Audit Committee of the Board of Directors; 4. Considered the 2021 Internal Audit Work Report of the Company; 5. Considered the 2022 Internal Audit Work Plan of the Company. (II) Meeting between independent directors and certified public accountants responsible for annual audit 1. Reviewed the procedures for the meetings of the Board of Directors, the necessary documents and adequacy of information to enable a reasonable and accurate judgment to be made; 2. Communicated with the certified public accountants responsible for annual audit on the audit focuses. (III) Attended the meeting of the Risk Control Committee of the Board of Directors	Recommended to adjust the audit focus around the key management areas of the Company and strengthen the application of audit results	Supervision of the annual audit of the Company, monitoring of the integrity of the Company's annual report, and review of major opinions on financial reporting contained in the financial statements and report	Nil

Name of Committee	Member	Number of meetings convened	Date of the meeting	Content of meeting	Important comments and suggestions made	Other performance of duties	Specific objection (if any)
		2022 fourth meeting of the Audit Committee of the Board of Directors	April 22, 2022	1. Reviewed the 2022 First Quarterly Report of the Company; 2. Reviewed the Resolution Regarding the Re-appointment of Auditors of the Company for 2022	Recommended that the Company attach great importance to the adequacy and prudence of asset impairment charges; and make further requirements on the quality and results of external auditors' practice	Supervision of the implementation of the agreed procedures by the external auditors for the first quarter, monitoring of the integrity of the Company's first quarterly report, and review of major opinions on financial reporting contained in the financial statements and report	Nil
		2022 fifth meeting of the Audit Committee of the Board of Directors	August 16, 2022	Reviewed the 2022 Interim Report of the Company	Recommendation on further strengthen the management of asset disposals	Supervision of the implementation of the interim audit by the external auditors, monitoring of the integrity of the Company's interim report, and review of major opinions on financial reporting contained in the financial statements and report	Nil

Name of Committee	Member	Number of meetings convened	Date of the meeting	Content of meeting	Important comments and suggestions made	Other performance of duties	Specific objection (if any)
		2022 sixth meeting of the Audit Committee of the Board of Directors	October 21, 2022	1. Attended the meeting of the Strategy Committee of the Board of Directors and heard the Report on the Work of the Company in Serving the National Strategy and the Report on the Strategic Management of the Company; 2. Reviewed the 2022 Third Quarterly Report of the Company.	Recommendation on the improvement of the report format and provision of value-added services such as peer comparison analysis by external auditors	Supervision of the implementation of the agreed procedures by the external auditors for the third quarter, monitoring of the integrity of the Company's third quarterly report, and review of major opinions on financial reporting contained in the financial statements and report	Nil
		2022 seventh meeting of the Audit Committee of the Board of Directors	November 25, 2022	1. Considered the Resolution Regarding the Amendments to the Proceeds Management System of Shenwan Hongyuan Group Co., Ltd.; 2. Considered the Resolution Regarding the 2022 Internal Control Evaluation Plan of Shenwan Hongyuan Group Co., Ltd.	-	-	Nil

(4) The main responsibilities of the Risk Control Committee of the Board of Directors 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.

Meetings of the Risk Control Committee of the Board of Directors convened during the Reporting Period:

Name of Committee	Member	Number of meetings convened	Date of the meeting	Content of meeting	Important comments and suggestions made	Other performance of duties	Specific objection (if any)
Risk Control Committee of the Board of Directors	Chairman: Ren Xiaotao, Ge Rongrong (former member); Members: Huang Hao, Yeung Siuman Shirley, Zhao Lei, Shao Yalou	2022 first meeting of the Risk Control Committee of the Board of Directors	March 9, 2022	(I) Attended the meeting of the Audit Committee of the Board of Directors (II) Risk Control Committee 1. Heard the Report on Risks of Shenwan Hongyuan Group Co., Ltd. for 2021; 2. Considered the Risk Tolerance of Shenwan Hongyuan Group Co., Ltd. for 2022; 3. Considered the 2021 Report on Performance of Duties by the Risk Control Committee of the Board of Directors.	Recommendation on further improvement of the digitalization of risk control	Supervision and review of risk management related systems	Nil
		2022 second meeting of the Risk Control Committee of the Board of Directors	June 28, 2022	1. Considered the Resolution Regarding the Amendments to Risk Preference of Shenwan Hongyuan Group Co., Ltd.; 2. Considered the Risk Tolerance of Shenwan Hongyuan Group Co., Ltd. for 2022.	Recommendation on the full use of technology by the Company to empower risk management	Supervision and review of risk management related systems	Nil
		2022 third meeting of the Risk Control Committee of the Board of Directors	August 16, 2022	(I) Attended the meeting of the Audit Committee of the Board of Directors (II) Heard the Report on Risks of Shenwan Hongyuan Group Co., Ltd. in the first half of 2022	-	-	Nil

7. Attendance of the meetings of special committees of the Board of Directors by directors

(1) Strategy and ESG Committee of the Board of Directors

Name of member	Position	Attendance/ Numbers of meeting shall be present
Liu Jian	Executive director, chairman of the Executive Committee, chairman of the Strategy and ESG Committee	2/2
Chu Xiaoming	Executive director (former member), chairman of the Strategy Committee (former member)	1/1
Huang Hao	Executive director, general manager, vice chairman of the Executive Committee, member of the Strategy and ESG Committee	3/3
Ge Rongrong	Non-executive director (former member), member of the Strategy Committee (former member)	3/3
Wu Changqi	Independent non-executive director, member of the Strategy and ESG Committee	3/3
Ren Xiaotao	Non-executive director, member of the Strategy and ESG Committee	3/3
Shao Yalou	Non-executive director, member of the Strategy and ESG Committee	0/0

(2) Remuneration and Nomination Committee of the Board of Directors

Name of member	Position	Attendance/ Numbers of meeting shall be present
Wu Changqi	Independent non-executive director, chairman of the Remuneration and Nomination Committee	4/4
Chu Xiaoming	Executive director (former member), member of the Remuneration and Nomination Committee (former member)	2/2
Liu Jian	Executive director, chairman of the Executive Committee, member of the Remuneration and Nomination Committee	2/2
Chen Hanwen	Independent non-executive director, member of the Remuneration and Nomination Committee	4/4
Zhao Lei	Independent non-executive director, member of the Remuneration and Nomination Committee	4/4
Zhang Ying	Non-executive director, member of the Remuneration and Nomination Committee	4/4

(3) Audit Committee of the Board of Directors

Name of member	Position	Attendance/ Numbers of meeting shall be present
Chen Hanwen	Independent non-executive director, chairman of the Audit Committee	7/7
Zhu Zhilong	Non-executive director, member of the Audit Committee	7/7
Yeung Siuman Shirley	Independent non-executive director, member of the Audit Committee	7/7
Zhao Lei	Independent non-executive director, member of the Audit Committee	7/7
Zhang Ying	Non-executive director, member of the Audit Committee	7/7

(4) Risk Control Committee of the Board of Directors

Name of member	Position	Attendance/ Numbers of meeting shall be present
Ren Xiaotao	Non-executive director, chairman of the Risk Control Committee	3/3
Ge Rongrong	Non-executive director (former member), chairman of the Risk Control Committee (former member)	3/3
Huang Hao	Executive director, general manager, vice chairman of the Executive Committee, member of the Risk Control Committee	3/3
Yeung Siuman Shirley	Independent non-executive member, member of the Risk Control Committee	3/3
Zhao Lei	Independent non-executive member, member of the Risk Control Committee	3/3
Shao Yalou	Non-executive director, member of the Risk Control Committee	0/0

VII. 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, as of the end of the Reporting Period, the Board of Directors includes professionals from different professional backgrounds in economics, finance, accounting, management, and others, with different gender and age stages, among which, female directors account for 18.18% of the total number of directors, and 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.

As there are currently two female directors on the Board of Directors, the composition of the Board is in compliance with the gender diversity requirements of the Hong Kong Listing Rules and is in line with the Company's Board Diversity Policy. The Company values the importance and benefits of gender diversity on the Board and the Company's Board Diversity Policy ensures that the Board will have potential successors in waiting to continue the existing gender diversity on the Board.

During the Reporting Period, the Board has reviewed the implementation of the Board diversity policy and believed that the mechanism was applicable and effective.

VIII. DIRECTORS NOMINATION POLICY AND NOMINATION PROCEDURES

According to Article 121 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) the Board may nominate the candidates for directors to the general meeting; the Supervisory Committee may nominate the candidates for supervisors elected by the general meeting to the general meeting; 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.

IX. MEETINGS OF THE BOARD OF SUPERVISORS CONVENED DURING THE REPORTING PERIOD

(I) 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.

(II) Work of the Board of Supervisors

1. As of the end of the Reporting Period, the fifth session of the Board of Supervisors of the Company consists of 5 supervisors:

Supervisors: Mr. Fang Rongyi (chairman of the Board of Supervisors), Ms. Chen Yan, Mr. Jiang Yang

Employee representative supervisors: Ms. Li Yan, Ms. Zhou Jie

2. The meetings of the Board of Supervisors held during the Reporting Period

Session of meeting	Convening date	Supervisors attending the meeting	Titles of resolutions of the meeting	Status of resolutions	Disclosure date and disclosure index
The 6th meeting of the fifth session of the Board of Supervisors	March 30, 2022	Fang Rongyi, Chen Yan, Jiang Yang, Li Yan, Zhou Jie	1. The Resolution Regarding Consideration of the 2021 Annual Financial Report of Shenwan Hongyuan Group Co., Ltd. 2. The Resolution Regarding the 2021 Profit Distribution Proposal of Shenwan Hongyuan Group Co., Ltd. 3. The Resolution Regarding Consideration of the 2021 Internal Control Evaluation Report of Shenwan Hongyuan Group Co., Ltd. 4. The Resolution Regarding Consideration of the 2021 Annual Report of Shenwan Hongyuan Group Co., Ltd. 5. The Resolution Regarding the 2021 Work Report of the Board of Supervisors of Shenwan Hongyuan Group Co., Ltd.	Approved Approved Approved Approved 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 31, 2022 and the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk on March 30, 2022.
The 7th meeting of the fifth session of the Board of Supervisors	April 29, 2022	Fang Rongyi, Chen Yan, Jiang Yang, Li Yan, Zhou Jie	The Resolution Regarding Consideration of the 2022 First Quarterly Report of Shenwan Hongyuan Group Co., Ltd.	Approved	Announcements of resolution of the meeting were exempt from disclosure
The 8th meeting of the fifth session of the Board of Supervisors	August 30, 2022	Fang Rongyi, Chen Yan, Jiang Yang, Li Yan, Zhou Jie	The Resolution Regarding Consideration of the 2022 Interim Report of Shenwan Hongyuan Group Co., Ltd.	Approved	Announcements of resolution of the meeting were exempt from disclosure
The 9th meeting of the fifth session of the Board of Supervisors	October 28, 2022	Fang Rongyi, Chen Yan, Jiang Yang, Li Yan, Zhou Jie	The Resolution Regarding Consideration of the 2022 Third Quarterly Report of Shenwan Hongyuan Group Co., Ltd.	Approved	Announcements of resolution of the meeting were exempt from disclosure

3. Supervisors' attendance of the meetings of the Board of Supervisors

Name	Position	Number of meetings of the Board of Supervisors required attendance during the Reporting Period	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
Fang Rongyi	Supervisor, chairman of the Board of Supervisors	4	4	0	0	Approved
Chen Yan	Supervisor	4	4	0	0	Approved
Jiang Yang	Supervisor	4	4	0	0	Approved
Li Yan	Employee representative supervisor	4	4	0	0	Approved
Zhou Jie	Employee representative supervisor	4	4	0	0	Approved

4. 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.

X. 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 fifth session of the Board of Directors and each of the 5 Supervisors of the current fifth session of the Board of Supervisors. The terms of office of the Directors and Supervisors were effective from the date of approval by the general meeting until the expiry date of the term of office for the fifth session of the Board of Directors and the fifth 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, terms of office and remuneration of the directors and supervisors during their terms 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)).

XI. 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 "V. 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 VII "Changes in Shares and Shareholders" in this report.

XII. 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.

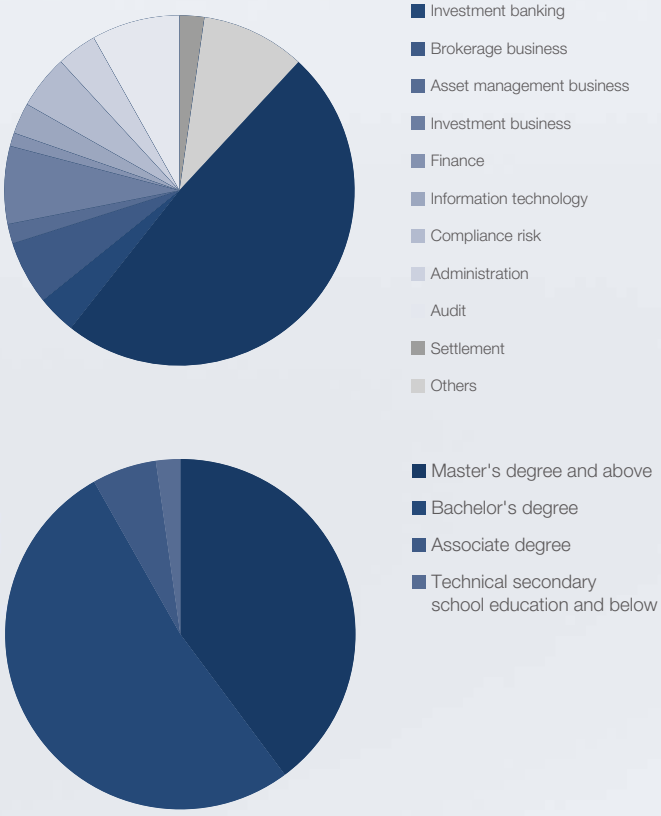
XIII. EMPLOYEES OF THE COMPANY

(I) Number of employees, professional structure and education level

As of December 31, 2022, the Group had a total of 11,813 employees (including 615 brokerage agents), of which Shenwan Hongyuan Group had 99 employees, Shenwan Hongyuan Securities and its subsidiaries had 11,112 employees (including 7,692 employees of Shenwan Hongyuan Securities and a total of 3,420 employees of the subsidiaries of Shenwan Hongyuan Securities), and other subsidiaries had a total of 602 employees.

	Personnel structure	Number (Person)	Percentage in the total number of employees (%)
Professional structure and distribution of employees	Research	270	2.29%
	Investment banking	1,136	9.62%
	Brokerage business	5,756	48.73%
	Asset management business	423	3.58%
	Investment business	696	5.89%
	Finance	214	1.81%
	Information technology	848	7.18%
	Compliance risk	147	1.24%
	Administration	338	2.86%
	Audit	586	4.96%
	Settlement	438	3.71%
	Others	961	8.13%
Education level (by education background)	Master's degree and above	4,704	39.82%
	Bachelor's degree	6,141	51.99%
	Associate degree	703	5.95%
	Technical secondary school education and below	265	2.24%

Statistical graph of composition



(II) Gender of employees

As of December 31, 2022, the proportion of male employees and female employees (including senior management) in the Company's total employees was 53.92% and 46.08%, respectively. The Company fully respects the individual differences of talents, creates a professional, inclusive and diversified working environment in the workplace, and strives to provide equal opportunities for its employees. The Company believes that the current gender ratio of its employees (including senior management) is relatively balanced and expects to continue to maintain a reasonable level of gender diversity at the employee level (including senior management).

(III) 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.

(IV) Training program

The Company's training aims to serve the Company's strategy, empower the talent team, and support business development. Centering on three major tasks including the establishment of training system, building a training platform and implementation of key projects, the Company has continuously perfected the training system for all staff in a hierarchical manner. Centering on political ability construction and adhering to ideology guidance, the Company enhanced the study of political theory with the main line of implementing the spirit of the Party's 20th National Congress. Centering on the team building of employees, the Company conducted professional trainings by hierarchy and with the coverage of all employees. Centering on the building of professional capability, the Company deepened the business subject research, empowering the professional quality of employees. The Company has constantly operated and innovated key training projects, to create a featured training brand, insisted in the cooperation between education and training and business development, served the overall development of the Company, prevented financial risks, and served the real economy.

(V) Number of the retired employees for whom the Company is required to pay costs

As of the end of the Reporting Period, there were 804 retired employees for whom the Company (including the parent company and wholly-owned subsidiaries) is required to pay costs.

XIV. INFORMATION ABOUT CUSTOMER SOLICITATION AND CUSTOMER SERVICE OF COMMISSION BROKERS OF SHENWAN HONGYUAN SECURITIES, A SUBSIDIARY OF THE COMPANY

As of December 31, 2022, Shenwan Hongyuan Securities had a total of 156 branches (statistics based on the distribution of securities brokers in service) that implement the securities brokerage system in the PRC, with 496 securities brokers in service (including 24 from the branches of Shenwan Hongyuan Securities (Western)), all of which had completed the registration of the qualifications for securities broker with the Securities Association of China. 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, 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.

XV. 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 230 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 231 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 nonexecutive 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 232 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 233 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) Profit distribution plan or plan for conversion of capital reserve into share capital as considered by the Board of Directors during the Reporting Period

Number of bonus shares for every 10 shares (share)	0
Amount of dividend for every 10 shares (RMB) (tax inclusive)	0.30
Number of shares converted for every 10 shares (share)	0
Basis of the shares for the distribution proposal (share)	25,039,944,560
Total amount of cash dividends (RMB) (tax inclusive)	751,198,336.80
Amount of cash dividends in other ways (e.g. repurchase of shares) (RMB)	0
Total amount of cash dividends (including other ways) (RMB)	751,198,336.80
Distributable profit (RMB)	2,878,778,760.24
Percentage of total cash dividends (including other ways) in total amount of profit distribution	100%

Cash Dividends

1. Based on the total share capital of 25,039,944,560 A Shares and H Shares of the Company as of December 31,2022, a cash dividend of RMB0.30 (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 RMB751,198,336.80. The retained profits of the parent company of RMB2,127,580,423.44 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 2022 annual general meeting of the Company.

If there is any change in the total share capital of the Company during the period from the date of disclosure of the profit distribution proposal to the record date for the implementation of the equity distribution, the Company intends to maintain the total distribution amount unchanged and adjust the distribution ratio per share accordingly.

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

As audited and confirmed by PricewaterhouseCoopers Zhong Tian LLP, in 2022, the Company realised a consolidated net profit attributable to shareholders of the parent company of RMB2,789,067,875.31. The balance of the audited undistributed profit of the parent company of the Group at the beginning of 2022 was RMB2,942,567,445.61, plus net profit realised by the parent company of the Group of RMB2,711,339,745.14 for 2022; after deducting the cash dividend of RMB2,503,994,456.00 in 2021; after deducting the statutory surplus reserve of RMB271,133,974.51 at 10% of the net profit realized in 2022 according to the requirements of 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 2022 was RMB2,878,778,760.24. The profit distribution proposal of the Company for 2022 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, 2022, a cash dividend of RMB0.30 (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 RMB751,198,336.80. The retained profits of the parent company of RMB2,127,580,423.44 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 2022 annual general meeting of the Company. If there is any change in the total share capital of the Company during the period from the date of disclosure of the profit distribution proposal to the record date for the implementation of the equity distribution, the Company intends to maintain the total distribution amount unchanged and adjust the distribution ratio per share accordingly.

(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税有關問題的通知》(國税函[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)), 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.

XVI. RESERVES AND RESERVES OF DISTRIBUTABLE PROFIT

As at December 31, 2022, the Company has reserves available for distribution of RMB2.879 billion in accordance with the China Accounting Standards for Business Enterprises. 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 50 to the consolidated financial statements in this report.

XVII. IMPLEMENTATION OF THE COMPANY'S EQUITY INCENTIVE PLAN, EMPLOYEE SHARE PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES

N/A

XVIII. CONSTRUCTION AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

(I) Construction and implementation of internal control

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 established an internal control system covering all departments, branches and subsidiaries of the Company. The Company has formulated the rules of procedure for the general meetings, Board of Directors and Board of Supervisors, the performance rules of the Board of Directors and the Board of Supervisors, the Internal Control System, the Internal Control Evaluation System and other systems and clarified the responsibilities and authorities of the Board of Directors, the Board of Supervisors, the management, and relevant internal unit in terms of construction, supervision, inspection and evaluation of internal control. The Company continued to strengthen the construction of the system, and enhanced the implementation and supervision of the system, aiming to further consolidate the internal control process of the Company, standardize the management and business development of the Company and ensure that the internal control covers the whole process of the Company's operation.

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 internal control system of the Company ran well, which was in line with the governance structure, business scale and business nature of the Company.

(II) Details of the significant defects in internal control detected during the Reporting Period

During the Reporting Period, no major defects were identified in the internal control of the Company.

XIX. MANAGEMENT AND CONTROL OF SUBSIDIARIES BY THE COMPANY DURING THE REPORTING PERIOD

In strict accordance with laws and regulations and relevant regulatory provisions, the Company strengthens the overall planning and overall management and control of the development of subsidiaries, and has established and improved the management system and mechanism of subsidiaries, optimized and perfected the management system of subsidiaries, and strengthened the financial management and risk management of subsidiaries. The rights and interests of investors are safeguarded through fulfillment of the responsibilities of investors in a legal and effective form, which ensures the effective control of subsidiaries, proactively enhances the overall interests of the Company, and promotes the improvement of comprehensive operating efficiency.

During the Reporting Period, the Company did not have any new subsidiaries arising from purchase.

XX. SELF-ASSESSMENT REPORT ON INTERNAL CONTROL OR INTERNAL CONTROL AUDIT REPORT

(I) Self-assessment report on internal control

Date of disclosure of the full text of internal control evaluation report	March 31, 2023
Disclosure index of full text of internal control evaluation report	Cninfo (www.cninfo.com.cn)
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.
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

(II) Internal control audit report

Review of the internal control audit report	
As at December 31, 2022, 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, 2023
Disclosure index of full text of internal control audit report	Cninfo (www.cninfo.com.cn)
Type of opinion of the internal control audit report	Standard and unqualified opinion
Whether there is any material defect in the non-financial report	No

XXI. 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 risks of businesses.

On the basis that each department, branch and subsidiary of Shenwan Hongyuan Securities identifies, assesses and monitors the indicators applicable to their respective business, the risk management department of Shenwan Hongyuan Securities 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, the risk control indicators with Net Capital and liquidity as the cores of Shenwan Hongyuan Securities were in compliance with regulatory requirements. During the period, 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 market capitalisation of an equity security to its total market capitalisation”, exceeded regulatory standards or alert standards. For the abovementioned incompliance with regulatory standards and alert standards, Shenwan Hongyuan Securities has reported to the regulatory authorities in a timely manner and taken measures to reduce the holding proportion to within the regulatory or alert standards.

(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 will 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 indicator

Shenwan Hongyuan Securities 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.

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

Upholding the concept of "stable operation, innovative development", Shenwan Hongyuan Securities strengthens the risk awareness and bottom-line thinking of all employees. It has built a risk management organization structure with clear levels and organic synergy and established a risk management organization structure that adapts to the Company's strategy and makes dynamic adjustments according to the external environment and situation. Management and control measures for early warning, effective identification, prevention, control and resolution of various risks have been improved for creation of an efficient one-stop comprehensive risk management platform with the characteristics of the Company. While strengthening the construction of professional and compound risk management talent team, it has established a continuously optimizing risk management system at group level with high penetration "involving all staff in all aspects throughout the entire business process and with full coverage". As a result, the risk control capabilities are continuously enhanced and various risks in business management are better controlled as a whole, providing a strong guarantee for the stable and sustainable development of the Company.

(I) In terms of the risk management organization structure, Shenwan Hongyuan Securities has established a fourlevel 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, and formed three lines of defense including the business departments, risk management department and other functional departments, and audit department. The division of labor at all levels is clear with the responsibilities for risk management fully fulfilled.

(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 management measures for risks in terms of market, credit, liquidity, operation, reputation, etc. 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; it has enhanced the penetration management for subsidiaries, and continuously promoted the risk management policies of the Company to subsidiaries, to guarantee the consistency and efficiency of risk management of the Company. 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.

XXIII. 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 investment in compliance risk control of Shenwan Hongyuan Securities 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 2022, the Company continued to increase investment in compliance risk control and its total investment in compliance risk control throughout the year was RMB394,669,200, representing an increase of 8.14% over the last year.

Shenwan Hongyuan Securities attaches great importance to information technology innovation, continuously optimizes the information system and provides secure, stable and personalized services to ensure and support business development. The investment in information technology mainly includes (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. In 2022, Shenwan Hongyuan Securities continued to increase investment in information technology and its total investment in information technology throughout the year amounted to RMB861.7435 million, representing an increase of 4.08% over the last year.

XXIV. COMPLIANCE MANAGEMENT SYSTEM CONSTRUCTION AND INSPECTION AND AUDIT BY COMPLIANCE AND AUDITING DEPARTMENTS DURING THE REPORTING PERIOD

The Company continuously improves 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) Compliance management system

The Company has established the compliance management systems comprising basic compliance management system and supporting rules for compliance management, and conducted dynamic revision and improvement according to the changes in laws and regulations, and the actual situation of the Company. In particular, the compliance management system of Shenwan Hongyuan Securities has been continuously improved. The basic compliance management systems include the Basic Compliance Management System, the Related Party Transaction Management System, the Money Laundering and Terrorist Financing Risk Management System and the Integrity Management System, which are considered and approved by the Board. The supporting rules for 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 Chinese Wall, the Administrative Measures for Money Laundering and Terrorist Financing Risk, the Administrative Measures for Investment Behavior of Directors, Supervisors, Senior Management and Practitioners (Trial), etc. In addition, Shenwan Hongyuan Securities has also prepared the Compliance Manual and the Compliance Case Manual as the basic norms and bottom line requirements for business development of the Company.

(II) Compliance management organization system

The Company has established a compliance management organization system composed of "leadership (the Board of Directors, Board of Supervisors, management), compliance executives/compliance director, legal 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 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 legal compliance department to assist the compliance director/executives in carrying out work. The compliance department is accountable to the compliance director/executives and performs compliance management duties in accordance with the regulations of the Company and arrangements by the compliance director/executives. 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. 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 persistently enhance the anti-money laundering work, promoted the speed-up transformation of work concept and approaches to "risk-oriented", established and improved the anti-money laundering work system, earnestly performed the anti-money laundering obligations, and continuously optimised the anti-money laundering work mechanism, engaged an intermediary to assist in completion of primary self-valuation of institutional money laundering and terrorism financing risks, continuously promoted the governance of customer information quality, improved the monitoring efficiency of suspected transactions, enhanced anti-money laundering work of non-brokerage business, and perfected the functions of anti-money laundering related systems, so as to continuously improve the quality of anti-money laundering work.

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 and optimises the construction of the Chinese wall system.

(IV) Compliance inspection and audit

1. Compliance inspection

During the Reporting Period, the compliance department of the Company proactively organised or participated in relevant examinations or self-inspections according to the regulatory requirements and the actual situation of the Company, mainly including special self-inspection and examination of integrity practices; compliance inspection for key issues including bond business and asset securitization business of the Company, brokerage credit business, sales of financial products business, mutual fund investment advisory business, research report publication business, investor suitability, fund custody business and operation service, business activities carried out by practitioners of the Company using We-media tools and strengthening of personal information security management; and compliance inspection for key units including private equity subsidiaries, Asset Management Business Division, Custody Center, Financial Innovation Headquarters, Securities Investment Headquarters, FICC Business Division and certain branches.

2. Audit

During the Reporting Period, the internal audit departments of Shenwan Hongyuan Group and Shenwan Hongyuan Securities established and completed a total of 230 audit projects, including:

(1) Annual regular audits: the internal audit departments of Shenwan Hongyuan Group and Shenwan Hongyuan Securities conducted a total of 150 regular audits for 3 subsidiaries of Shenwan Hongyuan Group and 3 business divisions, 2 business headquarters, 8 management headquarters, 5 subsidiaries, 21 branches and 108 securities business departments of Shenwan Hongyuan Securities.

(2) Economic responsibility audits: the internal audit departments of Shenwan Hongyuan Group and Shenwan Hongyuan Securities conducted audit on economic responsibility of departure for 74 major responsible persons of units at all levels.

(3) Special audits: the internal audit department of Shenwan Hongyuan Group conducted 6 special audits on proceeds, etc.

In addition, the internal audit department of Shenwan Hongyuan Securities also conducted tracking inspection on audit rectification for 216 branches.

XXV. 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 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 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. A relatively complete system of rules and regulations has been established for various business and management matters, and the formulation 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, laying a solid foundation for improving the Company's internal control.

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. 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 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, 2022), 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. No material defects were identified in the internal control of the Company.

XXVI. STATEMENT OF THE BOARD OF DIRECTORS ON RISK MANAGEMENT

(I) Statement of the Board of Directors

The effective risk management and internal control are essential to the Company's legal 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, 2022, 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.

(II) Risk management

The Company 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 comprehensive risk management system covering all types of risks, and adopted effective risk management and control measures. As a result, the risk management capabilities are continuously enhanced and various risks in business management are better controlled as a whole.

1. The Company has established a risk management organization structure comprising the Board of Directors, the Risk Control Committee, the Board of Supervisors, the executive committee 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 and the discipline inspection department, etc., act 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. In terms of risk management systems and policies, the Company has established a risk management system with the Risk Management System as the basic system with various professional management measures for risks in terms of market, credit, liquidity, operation, reputation, etc., and business-level operating procedures and specific risk management systems as supporting rules to regulate risk management. At the same time, the Company 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, the Company 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.

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; the Company 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; the Company strengthened the penetrating management of subsidiaries, and continued to extend its risk management policies to subsidiaries to ensure consistency and effectiveness of the Company's risk management. 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.

XXVII. BASIS FOR ESTABLISHING INTERNAL CONTROL FOR FINANCIAL REPORTS

The Company has established a relatively complete internal control system for business and finance 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 material or major deficiencies were identified in the Company's internal control of financial reporting.

XXVIII. RECTIFICATION FOR THE PROBLEMS IDENTIFIED IN SELF-INSPECTION IN THE SPECIAL GOVERNANCE ACTION OF LISTED COMPANIES

The Company further implemented the Opinions of on Further Improvement of the Quality of Listed Companies (《關於進一步提高上市公司質量的意見》) and the spirit of relevant documents of the CSRC. The Company established and improved the corporate governance structure on an ongoing basis, and improved the corporate governance mechanism, with a view to building a good corporate governance ecosystem. The Company has maintained stable operation management and governance all the time.

During the Reporting Period, the fifth session of the Board of Directors of the Company performed its duties faithfully and diligently, the structure of the Board of Directors and special committees was further adjusted and optimized, and the check and balance mechanism for corporate governance was more coordinated and effective. In the future, the Company will further explore and establish a long-term corporate governance mechanism to promote the consolidation and improvement of corporate governance efficiency.

XXIX. 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-inspection and examination by relevant regulatory authorities.

XXX. 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 2021 annual general meeting, the Company engaged PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers as the auditors of the Company for 2022 to provide relevant domestic and overseas audit, review and other services in accordance with the Accounting Standards for Enterprises of China and the International Financial Reporting Standards, respectively, with an audit fee, including the fee for internal control, for 2022 amounting to RMB5.98 million.

Please see details of employment and remuneration in "VIII. Appointment and Dismissal of Accounting Firms" in "Section VI 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 and Authorized Representative

During the Reporting Period, according to the requirements of the Hong Kong Listing Rules, Mr. Xu Liang and Mr. Wong Wai Chiu, the company secretaries, 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 August 26, 2022, the Board of Directors received the written resignation letter from Mr. Chu Xiaoming, the chairman and executive director of the Company. Due to work arrangement, Mr. Chu Xiaoming applied for resignation as the chairman of the fifth session of the Board of Directors, an executive director and the Authorized Representative, etc.

On August 26, 2022, the Resolution Regarding the Appointment of Authorized Representative of the Company was considered and approved at the 11th meeting of the fifth session of the Board of Directors, pursuant to which Mr. Liu Jian was appointed as the Authorized Representative.

(For relevant 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 August 27, 2022 and on the HKExnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) on August 26, 2022.)

(V) Amendments to the rules of procedure of the Board of Directors and the working rules of the relevant committees of the Board of Directors

In order to fully integrate ESG management into the strategic development of the Company and continuously improve corporate governance, the Company renamed the "Strategy Committee of the Board of Directors" as the "Strategy and ESG Committee of the Board of Directors", added ESG management related duties to its responsibilities, and amended the Working Rules of the Strategy and ESG Committee of the Board of Directors and the Rules of Procedure of the Board of Directors of Shenwan Hongyuan Group Co., Ltd. The amended Working Rules of the Strategy and ESG Committee of the Board of Directors of Shenwan Hongyuan Group Co., Ltd. and the amended Rules of Procedure of the Board of Directors of Shenwan Hongyuan Group Co., Ltd. have been considered and approved at the 14th meeting of fifth session of the Board of Directors and the 2022 second extraordinary general meeting of the Company.

(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 (the "Shareholder Communication Policy"), 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 2022, in addition to the daily communication with public investors, the Company held and participated in 4 investor relations activities such as results presentation 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	April 13, 2022	–	Network	Individual, institution	Investors who attended the Company's 2021 annual results presentation	Operations of the Company
2	April 15, 2022	–	Telephone communication	Institution	Institutional investors such as analysts of Changjiang Securities and China Life Aged-care, Topsperity Fund, Great Wall Securities, Yingda Securities, Zhongtian Securities, Jiuge Investment and Chaos Investment	Operations of the Company
3	June 24, 2022	–	Network	Individual, institution	Investors who participated in the 2022 online collective reception day for investors of listed companies in Xinjiang	Operations of the Company
4	September 8, 2022	–	Telephone communication	Institution	Invitees to the webinar of the UBS Asia Pacific Finance and fintech industry	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).

The Board reviews the shareholder communication policy at least once a year to ensure its effectiveness. After reviewing the different channels of communication with shareholders, the Board believes that the shareholder communication policy was properly implemented and effective during the year.

Section V Environmental and Social Responsibility

I. INFORMATION ON PROTECTION OF ECOLOGY, POLLUTION CONTROL AND FULFILLMENT OF ENVIRONMENTAL RESPONSIBILITIES

The Company advocates green and low-carbon office in its daily operation, observes the requirements of laws and regulations including the Energy Conservation Law of the People's Republic of China and the Environmental Protection Law of the People's Republic of China, implements relevant provisions on energy use management, and implements energy conservation and emission reduction by strengthening electricity management, promoting green conferences, advocating low-carbon travel, and carrying out green building certification and renovation, so as to support the national goal of "dual carbon". Also, the Company attaches importance to water resource management and waste management. For details of environmental protection measures, please refer to "9. Environmental Issues" in "Chapter 2: ESG Management and Performance" of the 2022 Social Responsibility Report and Environmental, Social and Governance Report of Shenwan Hongyuan Group Co., Ltd. simultaneously disclosed by the Company.

II. SOCIAL RESPONSIBILITY

The Company has separately prepared and disclosed the 2022 Social Responsibility Report and Environmental, Social and Governance Report of Shenwan Hongyuan Group Co., Ltd. (hereinafter referred to as the Social Responsibility Report, which is disclosed simultaneously with this annual report) to fully reflect the Company's social responsibility and ESG performance in 2022. The content of this chapter is only an overview. For details, please refer to relevant sections of the Social Responsibility Report.

(I) Purpose and Concept of the Corporate Social Responsibility

The Company adheres to the mission and vision of "Simple Finance to Fulfill the Dream of Becoming a First-Class Comprehensive Financial Service Provider", takes "seeking truth and innovations while pursuing integrity and sincerity in practice" as its core value, adheres to the development concept of "seeking progress while maintaining stability, pursuing innovation on the basis of what has worked in the past", and takes the construction of a state-owned financial enterprise with "faith and responsibility" as its goal, practices the industry culture of "compliance, integrity, professionalism and stability", and emphasizes the cooperation, co-creation, sharing and integration with staff, customers, shareholders and partners to build a community of interests, causes and destiny. For details, please refer to the sections headed "Corporate Strategy", "Promoting the Construction of Industry Culture" and other relevant sections in the Social Responsibility Report.

(II) Protection of Shareholders and Creditors' Rights and Interests

The Company fully protects the economic rights and interests of shareholders and creditors, attaches importance to the reasonable return to investors, and implements a stable profit distribution policy. Besides, the principal and interest of the matured bonds of the Company were fully paid, and the interest of other outstanding bonds was paid in full and on time, which effectively protected the interests of creditors. For details, please refer to "Corporate Governance" and other relevant sections in the Social Responsibility Report.

(III) Protection of Employees' Rights and Interests

The Company strictly complies with the Labor Law of the People's Republic of China and other relevant laws and regulations, establishes and improves internal rules and policies regarding recruitment, induction, resignation, labor and holiday management, remuneration management, training, etc., and effectively protects the basic rights and interests of staff. The Company attaches importance to the staff development, constantly improves training mechanism and promotion mechanism of employees, encourages employees to keep learning life-long, and grants a certain of subsidies to employees who have participated in and obtained professional certification such as CPA (Certified Public Accountant), CFA (Chartered Financial Analyst) and national judicial examination, to help them improve their professional skills and comprehensive quality. The Company makes substantive efforts to protect the health and safety of employees, organizes physical examination every year, purchases supplementary medical insurance, traffic accident insurance and other supplementary commercial insurance for employees in the form of commercial insurance, and proactively conducts employees' mental health management, so as to assist employees in relief of psychological pressure and achievement of physical and mental health. For details, please refer to the sections headed "People-oriented, Training a High-Quality Talent Team", "Employee Employment and Protection of Their Rights and Interests" and "Employee Training and Development" and other relevant sections in the Social Responsibility Report.

(IV) Supplier Management

The Company strictly complies with laws and regulations including the Bidding Law of the People's Republic of China and the Interim Measures for Administration of Centralized Procurement of State-owned Financial Enterprises. In 2022, the Company further revised the Procurement Management Measures of Shenwan Hongyuan Group Co., Ltd., incorporating the requirements of supplier's background and qualification, information security, and anti-commercial bribery into the centralized procurement process, ensuring that the procurement information is transparent, and suppliers are required to comply with the provisions of the anti-corruption related contract, formulate anti-corruption policies, smooth the complaint and reporting path, and implement the integrity management in the procurement process. For details, please refer to the section headed "Supplier Management" in the Social Responsibility Report.

(V) Protection of the Rights and Interests of Customers and Consumers

While providing customers with professional and customized financial products, the Company has established a complete set of customer service system, earnestly follows and feeds back issues and demands raised by customers, thereby maximizing the value of customer service. The Company strictly abides by relevant laws and regulations of the PRC regarding the suitability management of investors of securities and futures. In 2022, the Company additionally formulated internal systems and implementation rules such as the Implementation Rules for the Suitability Management of Investors of Publicly Raised Infrastructure Securities Investment Funds (REITs) and for Investors Education, the Implementation Rules for the Suitability Management of Investors of Convertible Corporate Bonds and for Investors Education, and promoted the implementation of suitability management practices of investor, to guarantee to abide by the principles of risk matching and prudent compliance, and sold financial products and services in line with their risk identification ability and risk bearing ability to investors; integrated investors education into all aspects of the Company's business development, carried out investors education activities with a diversity of forms and rich contents, guided customers to make rational investment and effectively protected investors' rights and interests. For details, please refer to the sections headed "Technology-guided, Providing High Quality Customer Service", "Information Security and Privacy Protection", "Suitability Management of Investors" and other relevant sections in the Social Responsibility Report.

(VI) Environmental Protection and Sustainable Development

In 2022, the Company proactively implemented the national requirements for high-quality development and sustainable development, strengthened ESG management by improving the ESG management structure, carried out ESG actions focusing on key areas, committed to establishing the ESG performance management system, so as to comprehensively implement a series of ESG-related important strategic arrangements such as the goal of "dual carbon", rural revitalization, financial technology and common prosperity, and actively create value for shareholders and creditors, governments and regulators, customers, employees, suppliers, partners, communities and other stakeholders. For details, please refer to the section headed "Low-Carbon Development, Lucid Waters and Lush Mountains are Invaluable Assets" in the Social Responsibility Report.

(VII) Social Welfare Undertakings

In July 2022, Shenwan Hongyuan initiated the establishment of Shanghai Shenwan Hongyuan Public Welfare Foundation, with its business scope of supporting people and families with difficulties in life, carrying out public welfare projects such as assistance services, and carrying out other public welfare undertakings related to civil affairs. The year of 2022 is the first year of the foundation, and the foundation has successfully carried out public welfare projects such as "Shenwan Hongyuan Classes" and "Big Hands Holding Small Hands" in targeted poverty-stricken areas, effectively supporting financial charity and rural education assistance; initiated the establishment of the "Love Pair" project to smoothly raise donations and drive employees to participate in public welfare. All subsidiaries and branches of the Company have also actively engaged in public welfare undertakings, organized or assisted other entities from place to place to carry out public welfare charity activities involving titles of poverty alleviation, community services and other public welfare, and contributed to the construction of a better society. For details, please refer to the section headed "Contribution to Public Welfare" in the Social Responsibility Report.

III. CONSOLIDATION AND EXPANSION OF THE ACHIEVEMENTS OF POVERTY ALLEVIATION AND RURAL REVITALIZATION

As a state-owned financial enterprise with "faith and responsibility", the Company attached great importance to the national rural revitalization strategy, actively implemented the decisions and arrangements of the Party's Central Committee, the State Council, the CSRC and the Securities Association of China on the rural revitalization strategy, and established the organizational structure of the assistance work leading group, the assistance working group and the assistance office, so as to promote the development of the assistance work in an orderly and in-depth manner.

In 2022, based on the established assistance plan and fund arrangement, the Company assisted the rural revitalization work in Huining County, Gansu Province and other areas in an all-round way by focusing on financial, industrial and educational assistance. The Company invested a total of RMB43.35 million of assistance funds in targeted assistance areas and disaster-affected areas, including RMB34.50 million in Huining, Gansu Province, RMB8.54 million in Xinjiang, and RMB0.31 million in other areas to implement industrial assistance, talent assistance, ecological assistance, financial assistance, consumption assistance, education assistance, medical assistance and other projects.

In 2022, the Company won the "Rural Revitalization Financial Assistance Referral Cases" granted by the Central Committee and Work Committee of the Central Government Departments of PRC, the "First Batch of 36 Classic Referral Cases of Rural Revitalization in China" granted by the National Rural Revitalization Administration, the "Assistance Demonstration Practice Base in the Securities Industry" granted by the Securities Association of China, and the "Best Practice Cases of Rural Revitalization in 2022" granted by the China Association for Public Companies, the "Outstanding Contribution Award for Poverty Alleviation in 2022" granted by the China Foundation for Rural Development and other honorary and awards, which indicates that our practice of assistance and rural revitalization are widely recognized. For details, please refer to the section headed "Promoting Rural Revitalization" in the Social Responsibility Report.

I. IMPLEMENTATION OF COMMITMENTS

(I) Commitments accomplished during the Reporting Period or not yet accomplished by the actual controller, shareholders, related parties, acquirers and the Company and other related parties as of the end of the Reporting Period

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 On July 22, 2017, China Jianyin Investment undertakes that: 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 securitie 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	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
		controlling shareholder to obtain improper benefits, and that it guarantees not to harm the legal interests of other shareholders (especially minority shareholders) 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 On July 22, 2014, Central Huijin undertakes 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). 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	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
		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 Organization 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, organization 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. ④ The organization of the surviving company is independent. The surviving company has established a sound internal operation and management organization,	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
		which independently exercises its operation and management functions, and there is no organization 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 Organization 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, organization, 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, organization 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. 4. The organization of the issuer is independent. The issuer has established a sound internal operation and management organization, which independently exercises its management functions, and there is no organization 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.	2015-01-26	During the tenure of actual controller	Ongoing performance

(II) If there are profit forecasts for the assets or projects of the Company and the Reporting Period is within the period of the profit forecasts, particulars of the Company's assets or projects reaching the original profit forecasts and the reasons

N/A

II. 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.

III. ILLEGAL EXTERNAL GUARANTEES

The Company did not provide any illegal external guarantees.

IV. EXPLANATION OF THE BOARD OF DIRECTORS ON THE LATEST "NON-STANDARD AUDIT REPORT"

N/A

V. EXPLANATION OF THE BOARD OF DIRECTORS, THE BOARD OF SUPERVISORS AND INDEPENDENT DIRECTORS ON THE "NON-STANDARD AUDIT REPORT" ISSUED BY THE ACCOUNTING FIRM FOR THE REPORTING PERIOD

N/A

VI. EXPLANATION ON CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OR CORRECTION OF SIGNIFICANT ACCOUNTING ERRORS COMPARED TO THE FINANCIAL REPORT FOR THE LAST YEAR

During the Reporting Period, the Company had no changes in accounting policies and accounting estimates or correction of significant accounting errors.

VII. CHANGES IN THE SCOPE OF CONSOLIDATED STATEMENTS COMPARED TO THE FINANCIAL REPORT FOR THE LAST YEAR

During the Reporting Period, there was no change in the scope of consolidated statements.

VIII. APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS

Pursuant to the requirements of the Administrative Measures for State-owned Financial Enterprises to Select and Engage Accounting Firms (Cai Jin [2020] No. 6) (《國有金融企業選聘會計師事務所管理辦法》(財金 [2020]6號)) issued by the Ministry of Finance, the consecutive terms of office of KPMG Huazhen LLP, previously engaged by the Company as its auditor, reached the longest consecutive terms of office upon completion of the audit for 2020. According to relevant requirements, the Company entrusted Guoxin Tendering Group Co., Ltd. to conduct the public bidding for the selection and engagement of the accounting firms responsible for annual audit of the Company for 2021. Upon consideration and approval at the 2020 annual general meeting of the Company on May 28, 2021, the Company decided to engage PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers as the auditors of the Company for 2021. Furthermore, as a transitional arrangement, the Company continued to engage KPMG Huazhen LLP to provide services for the agreed procedures for the Company's financial statements for the first quarter of 2021.

Save as disclosed above, the Company did not change the auditors in the past three years. On April 29, 2022, the Resolution Regarding the Re-appointment of Auditors of the Company for 2022 was considered and approved at the 8th meeting of the fifth session of the Board of Directors of the Company, pursuant to which it was approved to re-appoint PricewaterhouseCoopers Zhong Tian LLP ("PricewaterhouseCoopers Zhong Tian") and PricewaterhouseCoopers ("PricewaterhouseCoopers") as the auditors of the Company for 2022 to provide relevant domestic and overseas audit, review and other services in accordance with the Accounting Standards for Enterprises of China and the International Financial Reporting Standards, respectively; and re-appoint PricewaterhouseCoopers Zhong Tian as the Company's internal audit control institution for 2022 with an audit fee, including the fee for internal control for 2022 amounting to RMB5.98 million.

In accordance with relevant laws, regulations and system requirements of the Company, the audit committee of the Board of Directors has reviewed the audit work of PricewaterhouseCoopers Zhong Tian and PricewaterhouseCoopers in 2021, and is of the opinion that PricewaterhouseCoopers Zhong Tian and PricewaterhouseCoopers have the qualifications and capabilities to engage in financial audit and internal control audit, meet the independence requirements of relevant independence policies and professional codes, and satisfy the audit requirements of Company. During the audit of 2021 financial statements, internal control audit and other professional work, PricewaterhouseCoopers Zhong Tian and PricewaterhouseCoopers were able to perform their duties in accordance with independent, objective and impartial practice standards, perform their work with due diligence, and provide professional audit services for the Company with rigorous independent review attitude and efficient quality control system.

On April 22, 2022, the audit committee of the Board of Directors convened the fourth meeting of 2022, at which it was considered and approved to re-appoint PricewaterhouseCoopers Zhong Tian and PricewaterhouseCoopers as the auditors of the Company for 2022 and submit the appointment to the Board of Directors for consideration. The independent directors of the Company issued relevant prior approval and independent opinions on the re-appointment of the accounting firms.

On June 10, 2022, the abovementioned re-appointment of auditors of the Company for 2022 was considered and approved at the 2021 annual general meeting of the Company.

During the Reporting Period, the Company paid PricewaterhouseCoopers Zhong Tian LLP a total of RMB5.724 million for the 2022 annual audit of financial report, internal control, other special audits and the implementation of agreed procedures.

The Company pays attention to the regulatory requirements on regular rotation of the signing certified public accountants. During the Reporting Period, PricewaterhouseCoopers Zhong Tian LLP provided audit services for the Company for consecutively two years, and Ms. Yip Siu Foon, Linda and Mr. Shan Feng, both the signing certified public accountants, provided audit services for the Company for two years.

IX. BANKRUPTCY OR REORGANIZATION, MERGER OR SEPARATION

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

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.

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

(I) Acquisition and disposal of subsidiaries and branch companies during the Reporting Period

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

(II) Establishment and cancellation of subsidiaries, branch companies and securities branches by Shenwan Hongyuan Securities, a subsidiary of the Company

1. Establishment and disposal of subsidiaries by Shenwan Hongyuan Securities

(1) During the Reporting Period, in accordance with the Reply Regarding Approval for Establishment of the Asset Management Subsidiary by Shenwan Hongyuan Securities Co., Ltd. (Zheng Jian Xu Ke [2022] No.2615), Shenwan Hongyuan Securities Asset Management Co., Ltd. was approved by the CSRC to be established by Shenwan Hongyuan Securities for engagement in securities and asset management businesses. On December 20, 2022, Shenwan Hongyuan Securities Asset Management Co., Ltd. obtained the Business License of the Legal Entity, which approved and issued by Shanghai Administration for Industry and Commerce. During the Reporting Period, Shenwan Hongyuan Securities contributed RMB2.5 billion to Shenwan Hongyuan Securities Asset Management Co., Ltd., which was paid in place in January 2023.

(2) During the Reporting Period, Shenwan Hongyuan Securities conducted capital increase to its subsidiary Shenyin & Wanguo Alternative Investment Co., Ltd. in an amount of RMB500 million, and Shenwan Hongyuan (International) Holdings Limited, a subsidiary of Shenwan Hongyuan Securities, conducted capital increase to its subsidiary Shenwan Hongyuan Singapore Private Limited in an amount of SGD4 million.

(3) During the Reporting Period, Shenwan Hongyuan (H.K.) Limited completed the liquidation and cancellation of its 4 overseas subsidiaries including Rise Hope Holdings Limited, Shenwan Hongyuan Fund Management (Hong Kong) Co., Ltd., Shenwan Hongyuan Shipping (Hong Kong) Co., Ltd. and Shenwan Hongyuan Trading (H.K.) Limited; and completed the lift of legal entity level of Shenwan Hongyuan Nominees (H.K.) Limited, an overseas subsidiary.

Shanghai Shenyin & Wanguo Hongding Equity Investment Management Co., Ltd., a wholly-owned subsidiary of Shenyin & Wanguo Investment, completed the liquidation and cancellation on December 13, 2022.

(III) Establishment and cancellation of the securities branch companies and securities branches by Shenwan Hongyuan Securities, a subsidiary of the Company

1. During the Reporting Period, Shenwan Hongyuan Securities established Shenwan Hongyuan Securities Co., Ltd. Changzhou Branch and Shenwan Hongyuan Securities Co., Ltd. Jiujiang Branch, of which 1 was newly established and the other was established based on securities branches.

2. During the Reporting Period, Shenwan Hongyuan Securities opened 3 new securities branches, namely Yangpu Economic Development Zone Yingbin Road Securities Branch in Hainan of Shenwan Hongyuan Securities Co., Ltd., Jingwu Road Securities Branch in Wuhan of Shenwan Hongyuan Securities Co., Ltd. and Banyun Road Securities Branch in Shenzhen of Shenwan Hongyuan Securities Co., Ltd. Besides, the establishment of 7 securities branches, including 1 in Yuncheng City, Shanxi Province, 1 in Shiyan City, Hubei Province, 1 in Jingdezhen City, Jiangxi Province, 1 in Yichun City, Jiangxi Province, 1 in Kashgar City, Xinjiang Region, 1 in Wuhan City, Hubei Province and 1 in Qinhuangdao City, Hebei Province, are newly approved.

3. During the Reporting Period, Shenwan Hongyuan Securities closed down 4 securities branches, namely: Pinghu Xinhua South Road Securities Branch in Jiaxing, Zhejiang of Shenwan Hongyuan Securities Co., Ltd., Xinxiang Pingyuan Road Securities Branch in Henan of Shenwan Hongyuan Securities Co., Ltd., Haikou Guoxing Avenue Securities Branch in Hainan of Shenwan Hongyuan Securities Co., Ltd. and Yicheng Zhonghua Avenue Securities Branch in Hubei of Shenwan Hongyuan Securities Co., Ltd. Hangzhou Xixi Road Securities Branch in Zhejiang of Shenwan Hongyuan Securities Co., Ltd. was approved to be cancelled, and is in the progress of cancellation.

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

XI. 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) Litigations of the Company and its subsidiaries (excluding Shenwan Hongyuan Securities) during the Reporting Period

1. The case of dispute over the warehousing contract raised by Hongyuan Hengli (Shanghai) Industrial Co., Ltd. (宏源恆利(上海)實業有限公司) against Zhejiang Kangyun Warehousing Co., Ltd. (浙江康運倉儲有限公司)

Due to the needs of carrying out basis trade and warehouse receipt service business, Hongyuan Hengli entered into the Warehousing and Safekeeping Contract with Zhejiang Kangyun Warehousing Co., Ltd. (浙江康運倉儲有限公司) ("Zhejiang Kangyun") on December 30, 2021, which stipulated the rights and obligations of warehousing and safekeeping. On June 1, 2022, Hongyuan Hengli found that it could not take out the aluminum ingots stored in the warehouse of Zhejiang Kangyun. In order to protect its legitimate rights and interests, Hongyuan Hengli filed a lawsuit with Intermediate People's Court of Hangzhou City, Zhejiang Province, requesting the court to rule that Zhejiang Kangyun shall deliver 6,993.239 tons of aluminum ingots (or RMB141,962,751.7 in compensation for the loss of goods value) as well as related interest and liquidated damages to Hongyuan Hengli. On October 10, 2022, Hongyuan Hengli received a civil ruling from the Intermediate People's Court of Hangzhou City, Zhejiang Province. As Zhejiang Kangyun was suspected of economic crimes, on July 13, 2022, the Hangzhou Public Security Department of the Shanghai Railway Public Security Bureau decided to file the contract fraud case of Zhejiang Kangyun for investigation, and the Intermediate People's Court of Hangzhou City ruled to dismiss according to law, and transferred relevant materials to the public security organization.

2. The case of dispute over the warehousing contract raised by Hongyuan Hengli (Shanghai) Industrial Co., Ltd. (宏源恆利(上海)實業有限公司) against Foshan Zhongjin Shengyuan Warehousing Management Co., Ltd. (佛山市中金聖源倉儲管理有限公司)

Due to the needs of carrying out basis trade and warehouse receipt service business, Hongyuan Hengli entered into the Warehousing and Safekeeping Contract with Foshan Zhongjin Shengyuan Warehousing Management Co., Ltd. (佛山市中金聖源倉儲管理有限公司) ("Foshan Zhongjin Shengyuan") on January 1, 2022, which stipulated the rights and obligations of warehousing and safekeeping. On May 30, 2022, Hongyuan Hengli found that it could not take out the aluminum ingots stored in the warehouse of Foshan Zhongjin Shengyuan. In order to protect its legitimate rights and interests, Hongyuan Hengli filed a lawsuit with Shanghai Hongkou District People's Court, requesting the court to rule that Foshan Zhongjin Shengyuan shall deliver 4,125.1323 tons of aluminum ingots (or RMB85,637,746.55 in compensation for the loss of goods value) as well as related interest and liquidated damages to Hongyuan Hengli. On January 12, 2023, Hongyuan Hengli received a civil ruling from the Shanghai Hongkou District People's Court. Since Yang Sen, an employee of Foshan Zhongjin Shengyuan, was suspected of criminal crime, the Nanhai Branch of Foshan Public Security Bureau took compulsory measures against Yang Sen on the grounds of suspected contract fraud in July 2022. The aluminum ingot involved was currently sealed up by the public security organization as Yang Sen and others were suspected of contract fraud, and the Shanghai Hongkou District People's Court ruled to dismiss according to law.

(III) Relevant litigations and arbitrations 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 dispute over the entrusted financial management contract raised by Hubei Xiangyang Rural Commercial Bank Co., Ltd. (湖北襄陽農村商業銀行股份有限公司) against the Company

Hubei Xiangyang Rural Commercial Bank Co., Ltd. (湖北襄陽農村商業銀行股份有限公司) (the "Applicant") initiated an arbitration against the company and the custodian of the asset management plan in the Wuhan Arbitration Commission due to the dispute over the entrusted wealth management contract. The Applicant is the principal of the asset management plan managed by the company. Due to the dispute over the operation of the asset management plan, the Applicant requested the company to compensate the principal, expected loss of interest and management fees, totaling more than RMB76 million, and requested the custodian to assume supplementary responsibilities. On March 4, 2022, the company received the arbitration notice from the Wuhan Arbitration Commission. As of now, the case has not yet been arbitrated.

2. The case of dispute over the asset management contract between Shandong Laizhou Rural Commercial Bank Co., Ltd. (山東萊州農村商業銀行股份有限公司) and the Company

Shandong Laizhou Rural Commercial Bank Co., Ltd. (山東萊州農村商業銀行股份有限公司) (the "Applicant") initiated an arbitration against the company in Shanghai International Economic and Trade Arbitration Commission due to the dispute over the asset management contract. The Applicant is the principal of the asset management plan managed by the company. Due to the dispute over the operation of the asset management plan, the Applicant requested the company to return the entrusted funds and to compensate for investment losses, management fees and custody fees, totaling more than RMB76 million. On March 15, 2022, the company received the arbitration notice. As of now, the case has not yet been arbitrated.

3. **The case of dispute over pledged securities repurchase agreement raised by the company against Kerui Tiancheng Investment Holdings Co., Ltd. (**科瑞天誠投資控股有限公司**) and Ningbo Kerui Jinding Investment Partnership (Limited Partnership) (**寧波科瑞金鼎投資合夥企業**(**有限合夥**))**

In March 2017, the company entered into the Business Agreement on Pledged Securities Repurchase of the Shares with Kerui Tiancheng Investment Holding Co., Ltd. (科瑞天誠投資控股有限公司) ("Kerui Tiancheng"), and subsequently entered into seven copies of the Agreement on Pledged Securities Repurchase of the Shares, pursuant to which, Kerui Tiancheng injected funds to the company. Later, both parties extended the above-mentioned transaction contracts. Ningbo Kerui Jinding Investment Partnership (Limited Partnership) (寧波科瑞金鼎投資合夥企業(有限合夥)) ("Ningbo Jinding") shall bear joint and several liabilities. In August 2020, the company entered into the Supplementary Agreement with Kerui Tiancheng, and both parties entered into the Tripartite Agreement on Pledge of Accounts Receivable with Ningbo Jinding and others. In January 2022, Kerui Tiancheng failed to increase the performance guarantee ratio or repurchase in advance as required by the company, which constituted a breach of contract. In order to protect its legitimate rights and interests, the company filed a lawsuit with Shanghai Financial Court, requesting Kerui Tiancheng to pay the company the outstanding principal of RMB1.8 billion and related interests, liquidated damages and interest overdue fines. Ningbo Jinding shall be jointly and severally liable for the above debts. In March 2022, the Shanghai Financial Court accepted the case. On September 21, 2022, the company received the first-instance judgment issued by the Shanghai Financial Court, which ruled that Kerui Tiancheng should pay the company the principal of RMB1.8 billion and related interests, liquidated damages and interest overdue fines within ten days from the date of the judgment coming into force. The company has the priority over the shares pledged by Kerui Tiancheng and its accounts receivable from Ningbo Jinding. As of now, the company has applied to the court for enforcement.

4. **Series cases of the dispute over pledged securities repurchase agreement raised by the company (on behalf of Shenwan Hongyuan No. 15 Single Asset Management Scheme as one of the series in the securities industry for support of the development of private enterprises) against Mingtai Huijin Capital Investment Co., Ltd. (**明泰匯金資本投資有限公司**)**

(1) In December 2019, the company, on behalf of Shenwan Hongyuan No. 15 Single Asset Management Scheme as one of the series in the securities industry for support of the development of private enterprises, entered into the Business Agreement on Pledged Securities Repurchase of the Shares with Mingtai Huijin Capital Investment Co., Ltd. (明泰匯金資本投資有限公司) ("Mingtai Huijin"), and subsequently entered into two copies of the Agreement on Pledged Securities Repurchase of the Shares, pursuant to which, Mingtai Huijin injected funds to the Asset Management Scheme. In March 2021, due to the judicial freezing of the pledged shares, Mingtai Huijin failed to repurchase in advance as required by the company's notice, which constituted a breach of contract. In order to protect its legitimate rights and interests, the company, on behalf of the Asset Management Scheme, filed a lawsuit with the Shanghai Financial Court, requesting Mingtai Huijin to pay the outstanding principal of RMB430 million and related interests, liquidated damages and others. On November 24, 2022, the company received the first instance judgment issued by the Shanghai Financial Court in favour of all the company's claims. As of now, the company has applied to the court for enforcement.

(2) In March 2017, the company entered into the Business Agreement on Pledged Securities Repurchase of the Shares with Mingtai Huijin, and subsequently entered into the Agreement on Pledged Securities Repurchase of the Shares, pursuant to which, Mingtai Huijin injected funds to the company. In March 2021, due to the judicial freezing of the pledged shares, Mingtai Huijin failed to repurchase in advance as required by the company's notice, which constituted a breach of contract. In order to protect its legitimate rights and interests, the company filed a lawsuit with the Shanghai Financial Court, requesting Mingtai Huijin to pay the company the outstanding principal of RMB125 million and related interests, liquidated damages and others. In May 2022, the Shanghai Financial Court accepted the above cases. In November 2022, the Shanghai Financial Court issued the first instance judgment in favour of all the company's claims. As of now, the company has applied to the court for enforcement.

5. **The case of the dispute over the liability for misrepresentation of securities raised by Soochow Fund Management Co., Ltd. against Shenwan Hongyuan Financing Services Co., Ltd., etc.**

Soochow Fund Management Co., Ltd. filed a lawsuit with Intermediate People's Court of Shenyang City, Liaoning Province, requiring five intermediaries including Shenwan Hongyuan Financing Services to jointly and severally compensate for the loss of principal of RMB210 million and related interest, etc., due to the fact that the "19 Huachen 06" bonds invested with its products under management were not paid in time, and those five intermediaries including Shenwan Hongyuan Financing Services, a subsidiary of the Company, did not perform the obligations in due diligence, and there was misstatements and misleading representation in the disclosed documents of bond information prepared and issued by them. In October 2022, Shenwan Hongyuan Financing Services received the notice of respondence to action. In December 2022, Shenwan Hongyuan Financing Services received a civil ruling, which rejected the lawsuit of Soochow Fund Management Co., Ltd. as the jurisdiction objection raised by Shenwan Hongyuan Financing Services was tenable. As of now, Soochow Fund Management Co., Ltd. has filed an appeal, and the second instance of the case has not yet been judged.

6. **The case of the dispute over the liability for misrepresentation of securities raised by Shanghai Yingxue Investment Management Center (Limited Partnership) against Shenwan Hongyuan Financing Services Co., Ltd., etc.**

Shanghai Yingxue Investment Management Center (Limited Partnership) filed a lawsuit with Intermediate People's Court of Shenyang City, Liaoning Province, requiring five intermediaries including Shenwan Hongyuan Financing Services to jointly and severally compensate for the loss of principal of RMB112.90 million and related interest, etc., due to the fact that the "19 Huachen 05" bonds invested with its products under management were not paid in time, and those five intermediaries including Shenwan Hongyuan Financing Services, a subsidiary of the Company, did not perform the obligations in due diligence, and there was misstatements and misleading representation in the disclosed documents of bond information prepared and issued by them. In September 2022, Shenwan Hongyuan Financing Services received the notice of respondence to action. In February 2023, Shenwan Hongyuan Financing Services received the civil ruling paper, which rejected the lawsuit of Shanghai Yingxue Investment Management Center (Limited Partnership) as the jurisdiction objection raised by Shenwan Hongyuan Financing Services was justified. As of now, the judgment in this case has come into effect.

(IV) Disclosed and progressive 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 the pledged securities repurchase raised by the company against Peng Peng and Wei Yueping

In August to September 2016, the company and Peng Peng entered into the Business Agreement on Pledged Securities Repurchase of the Shares and the Agreement on Pledged Securities Repurchase of the Shares, pursuant to which, Peng Peng was financed by the company, Wei Yueping, as the spouse of Peng Peng, shall bear joint and several liability. During the performance of the agreements, Peng Peng failed to pay interest in accordance with the Agreements, failed to take measures to restore the performance guarantee ratio to be above the agreed warning value when the performance ratio was lower than the warning line. In order to protect its legitimate rights and interest, the company filed a lawsuit with the Shanghai Financial Court, requiring Peng Peng to repay the principal of RMB91,460,000 and pay related interests and liquidated damages and Wei Yueping to bear joint repayment responsibilities. In July 2019, the court made the first-instance judgment in favour of the company's claim. In August 2019, the company has applied to the court for enforcement. In July 2020, as the company applied to the court for suspension of disposal of the pledged shares, the court terminated the enforcement. In June 2022, the company applied to the court for restoring the enforcement. In December 2022, the court has ruled to restore the enforcement.

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

In December 2019, the company and Liu Xiangdai entered into the Contract on Margin Financing and Securities Lending. During Liu Xiangdai's financing for purchase of shares, the guarantee ratio of the credit account was lower than the close-out level and Liu Xiangdai did not take effective measures to raise and maintain the guarantee ratio. Later, the company conducted a forced liquidation. The financing principal of RMB107.6324 million owned 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. In January 2021, the Shanghai Financial Court accepted the lawsuit. In October 2021, the Shanghai Financial Court made a first-instance judgment in favour of the claims of the company. After the first-instance judgment came into effect, Liu Xiangdai failed to perform the payment obligation, and the company applied to the court for enforcement. In June 2022, the court issued a ruling. After conducting a property investigation to the greatest extent possible, it was found that Liu Xiangdai had no other property available for enforcement, and the court ruled to terminate the enforcement in accordance with the law, and the case was closed.

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

In June 2020, the company and Zhang Liuyang entered into the Contract on Margin Financing and Securities Lending. During Zhang Liuyang's financing for purchase of shares, the guarantee ratio of the credit account was lower than the close-out level and Zhang Liuyang did not take effective measures to raise and maintain the guarantee ratio. Later, the company conducted a forced liquidation for Zhang Liuyang's account. The financing principal of RMB85,400,805.71 owned 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. In January 2021, the Shanghai Financial Court accepted the lawsuit. In September 2021, the Shanghai Financial Court made a first-instance judgment in favour of the claims of the company. Zhang Liuyang appealed later. In November 2021, as Zhang Liuyang did not pay the appeal fee, the court ruled that the first-instance judgment came into effect. Zhang Liuyang failed to fulfill his payment obligation, and the company applied to the Shanghai Financial Court for compulsory enforcement. In January 2023, the company received the court's enforcement order. After conducting a property investigation to the greatest extent possible, it was found that Zhang Liuyang had no other property available for enforcement, and the court ruled to terminate the enforcement procedure in accordance with the law, and the case was closed.

4. **The case of the dispute over the fund contract raised between Jolywood (中來光伏), Hongsheng Asset Management (泓盛資產管理公司) and the company**

In October 2019, the company 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 Asset"), pursuant to which, Jolywood was the fund trustor, Hongsheng Asset was the fund manager, and the company was the fund trustee. Jolywood believed that Hongsheng Asset failed to perform its trustee obligations in the principles of good faith and diligence; and that the company failed to fulfill the corresponding obligations of the custodian. Therefore, it applied to the Shanghai Arbitration Commission for arbitration, requiring (1) Hongsheng Asset to compensate the investment principal loss of RMB50 million and related interest losses; (2) the company, as the custodian, to assume joint and several liability. In January 2021, the Shanghai Arbitration Commission accepted the case. In July 2022, the Shanghai Arbitration Commission made a ruling that Hongsheng Asset shall bear part of the compensation liability to the applicant, and the company, as the custodian, shall not bear any compensation liability, and the case was closed.

5. **The case of the dispute over the contract between Shenyin & Wanguo Alternative Investment Co., Ltd., a subsidiary of the company, and Shanghai Worldunion Equity Investment Management Co., Ltd.**

In November 2015, Shenyin & Wanguo Alternative Investment and Shanghai Worldunion Equity Investment Management Co., Ltd. ("Shanghai Worldunion"), etc. entered into the Partnership Agreement on Shanghai Qihao Investment Partnership (Limited Partnership). In November 2016, Shenyin & Wanguo Alternative Investment and Shanghai Worldunion entered into the Supplemental Agreement on Shanghai Qihao Investment Partnership (Limited Partnership). Later, Shanghai Worldunion failed to perform the relevant obligations according to the agreement. In order to protect its legitimate rights and interests, Shenyin & Wanguo Alternative Investment applied to the Shanghai International Economic and Trade Arbitration Commission for arbitration, requiring Shanghai Worldunion to perform its acquisition obligations, pay the investment funds and the agreed repurchase interests in a total amount of RMB61.7854 million. In April 2021, the Shanghai International Economic and Trade Arbitration Commission accepted the case. Shenyin & Wanguo Alternative Investment and Shanghai Worldunion reached a settlement on the disputed matters in this case and signed the Reconciliation Agreement in June 2022. In July 2022, the arbitral tribunal issued the award in accordance with the effective Reconciliation Agreement, ruling that Shanghai Worldunion will pay Shenyin & Wanguo Alternative Investment in installments to fulfill the repurchase obligation according to the payment method agreed in the Reconciliation Agreement. As of now, the Reconciliation Agreement is in performance.

6. **The case of the dispute over the pledged securities repurchase agreement raised by the company against Zou Yong and Li Yali**

In March 2017, the company and Zou Yong entered into the Business Agreement on Pledged Securities Repurchase of the Shares and the Agreement on Pledged Securities Repurchase of the Shares, pursuant to which, Zou Yong was financed by the company with a total amount of RMB136 million and Li Yali, as the spouse of Zou Yong shall assume joint and several liability. During the performance of the agreements, Zou Yong failed to pay interest in accordance with the Agreements, failed to take measures to restore the performance guarantee ratio to be above the agreed warning value when the performance ratio was lower than the warning line. In order to protect its legitimate rights and interests, the company filed a lawsuit with the Shanghai Financial Court, requiring Zou Yong to repay the principal of RMB73.68 million and pay related interests and liquidated damages and Li Yali to bear joint repayment responsibilities. In November 2022, the Shanghai Financial Court made the first-instance judgment in favour of the company's main claims. As of now, Zou Yong has filed an appeal and the case has not yet been judged.

7. **The case of the dispute over pledged securities repurchase agreement raised by the company against RAAS CHINA LIMITED, Shenzhen RAAS Kaiji Investment Consulting Co., Ltd. and Kerui Tiancheng Investment Holdings Co., Ltd.**

In October 2017, the company entered into the Business Agreement on Pledged Securities Repurchase of the Shares and the Agreement on Pledged Securities Repurchase of the Shares with RAAS CHINA LIMITED, pursuant to which, RAAS CHINA LIMITED was financed by the company and Kerui Tiancheng shall bear joint and several liability. In March 2018, the company, RAAS CHINA LIMITED, Shenzhen RAAS and Kerui Tiancheng entered into the Supplemental Agreement. In September 2018, Shenzhen RAAS failed to fulfill obligations according to the agreement. In order to protect its legitimate rights and interests, the company filed a lawsuit with the Shanghai Financial Court, requiring RAAS CHINA LIMITED to pay the outstanding principal of RMB200 million and related interests and liquidated damages to the Company, Shenzhen RAAS to pay the relevant interests to the company, and Kerui Tiancheng to assume joint and several liability. In April 2021, the Shanghai Financial Court accepted the lawsuit. In November 2021, the Shanghai Financial Court made a first-instance judgment in favour of the company's main claims. As of now, the judgment of this case has come into effect and the company has applied to the court for enforcement.

8. **The cases of the dispute over pledged securities repurchase raised by the company (on behalf of Asset Management Scheme) against Anji Julong Enterprise Management Consulting Partnership (Limited Partnership), Liu Yongquan, Zhang Nai and Liu Changqing**

(1) In December 2019, the company, on behalf of Shenwan Hongyuan Julong No. 1 Collective Asset Management Scheme, and Anji Julong Enterprise Management Consulting Partnership (Limited Partnership) ("Anji Julong") entered into the Business Agreement on Pledged Securities Repurchase of the Shares and the Agreement on Pledged Securities Repurchase of the Shares, stipulating that Anji Julong was financed by the asset management scheme with an aggregate amount of RMB122.60 million. Liu Yongquan and Zhang Nai, the spouse of Liu Yongquan, shall bear joint and several liability. Liu Changqing shall provide guarantee for the pledge. During the performance of the agreements, Anji Julong repaid part of the principal. Anji Julong failed to take measures to maintain the performance guarantee ratio and failed to conduct repurchase in advance in accordance with the company's requirements, constituting a breach of contract. In order to protect its legitimate rights and interests, the company filed a lawsuit with the Shanghai Financial Court, requiring Anji Julong to pay the outstanding principal of RMB106.8250 million and the interests and liquidated damages, and Liu Yongquan, Zhang Nai and Liu Changqing to bear the corresponding guarantee responsibilities, etc. In July 2021, the Shanghai Financial Court accepted the case. In June 2022, the Shanghai Financial Court made a first-instance judgment in favour of the company's claim. As of now, the above judgment has come into effect in September 2022, and the company has applied to the court for compulsory enforcement.

(2) In December 2019, the company, on behalf of Shenwan Hongyuan Julong No. 1 Collective Asset Management Scheme, and Liu Yongquan entered into the Business Agreement on Pledged Securities Repurchase of the Shares and the Agreement on Pledged Securities Repurchase of the Shares, stipulating that Liu Yongquan was financed by the asset management scheme with an aggregate amount of RMB375.40 million. Zhang Nai, the spouse of Liu Yongquan, shall bear joint and several liability. Anji Julong shall provide joint guarantee, and Liu Changqing shall provide for the pledge. During the performance of the agreements, Liu Yongquan failed to take measures to maintain the performance guarantee ratio and failed to conduct repurchase in advance in accordance with the company's requirements, constituting a breach of contract. In order to protect its legitimate rights and interests, the company filed a lawsuit with the Shanghai Financial Court, requiring Liu Yongquan and Zhang Nai to jointly pay the outstanding principal of RMB375.40 million and related interests and liquidated damages, and Anji Julong and Liu Changqing to bear the corresponding guarantee responsibilities, etc. In July 2021, the Shanghai Financial Court accepted the case. In June 2022, the Shanghai Financial Court made a first-instance judgment in favour of the company's claim. As of now, the above judgment has come into effect in September 2022, and the company has applied to the court for compulsory enforcement.

(3) In April 2020, the company, on behalf of Shenwan Hongyuan No. 15 Single Asset Management Scheme, and Liu Yongquan entered into the Business Agreement on Pledged Securities Repurchase of the Shares and the Agreement on Pledged Securities Repurchase of the Shares, stipulating that Liu Yongquan was financed by the asset management scheme with an aggregate amount of RMB158.2076 million. Zhang Nai, the spouse of Liu Yongquan, shall bear joint and several liability and provide guarantee for the pledge. Liu Changqing shall provide guarantee for the pledge. During the performance of the agreements, Liu Yongquan failed to take measures to maintain the performance guarantee ratio, failed to conduct repurchase in advance in accordance with the company's requirements, and failed to perform the repurchase obligation when the agreements expired. In order to protect its legitimate rights and interests, the company filed a lawsuit with the Shanghai Financial Court, requiring Liu Yongquan and Zhang Nai to pay the outstanding principal of RMB158.2076 million and related interests and liquidated damages, and Liu Changqing to bear the corresponding guarantee responsibilities, etc. In July 2021, the Shanghai Financial Court accepted the case. In June 2022, the Shanghai Financial Court made a first-instance judgment in favour of the company's claim. As of now, the above judgment has come into effect in September 2022, and the company has applied to the court for compulsory enforcement.

(4) In April 2020, the company, on behalf of Shenwan Hongyuan No. 15 Single Asset Management Scheme, and Zhou Suqin entered into the Business Agreement on Pledged Securities Repurchase of the Shares and the Agreement on Pledged Securities Repurchase of the Shares, stipulating that Zhou Suqin was financed by the asset management scheme with an aggregate amount of RMB160.7652 million. Liu Changqing, the spouse of Zhou Suqin, shall bear joint and several liability and provide guarantee for the pledge. Zhang Nai shall provide guarantee for the pledge. During the performance of the agreements, Zhou Suqin failed to take measures to maintain the performance guarantee ratio, failed to conduct repurchase in advance in accordance with the company's requirements, and failed to perform the repurchase obligation when the agreements expired. In order to protect its legitimate rights and interests, the company filed a lawsuit with the Shanghai Financial Court, requiring Zhou Suqin and Liu Changqing to pay the outstanding principal of RMB160.7652 million and related interests and liquidated damages, and Zhang Nai to bear the corresponding guarantee responsibilities, etc. In July 2021, the Shanghai Financial Court accepted the case. In June 2022, the Shanghai Financial Court made a first-instance judgment in favour of the company's claim. As of now, the above judgment has come into effect in September 2022, and the company has applied to the court for compulsory enforcement.

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

(1) In March 2017, the company and Ke Zonggui entered into the Business Agreement on Pledged Securities Repurchase of the Shares and the Agreement on Pledged Securities Repurchase of the Shares, pursuant to which, Ke Zonggui was financed by the company with an amount of RMB83 million, Chen Seqin, as the spouse of Ke Zonggui, shall bear joint and several liability, and China Express Co., Ltd.* (中經匯通有限責任公司) and Ma Meirong shall provide guarantee for the pledge. Ke Zonggui has failed to pay interest in accordance with the Agreements since March 2020, and has not completed the repurchase transaction, which constituted a breach of contract. In order to protect its legitimate rights and interests, the company filed a lawsuit with the Shanghai Financial Court. In August 2020, the Shanghai Financial Court accepted the case. In September 2021, the Shanghai Financial Court made a first-instance judgment in favour of the company's claim. Ke Zonggui appealed to the Shanghai High People's Court later. In November 2022, the company received the judgment document from the Shanghai Higher People's Court, which allowed the company to withdraw the lawsuit against the defendant Chen Seqin, and rejected the appeal request of Ke Zonggui. As of now, the company has applied to the court for compulsory enforcement.

(2) In March 2017, the company and Ke Zonggui entered into the Business Agreement on Pledged Securities Repurchase of the Shares and the Agreement on Pledged Securities Repurchase of the Shares, pursuant to which, Ke Zonggui was financed by the company with an amount of RMB100 million, Chen Seqin, as the spouse of Ke Zonggui, shall assume joint and several liability, and China Express Co., Ltd. and Ma Meirong shall provide guarantee for the pledge. During the performance of the agreements, Ke Zonggui repaid principal in an amount of RMB40 million to the company. Ke Zonggui has failed to pay interest in accordance with the agreements since March 2020, and has not completed the repurchase transaction, which constituted a breach of contract. In order to protect its legitimate rights and interests, the company filed a lawsuit with the Shanghai Financial Court. In August 2020, the Shanghai Financial Court accepted the case. In October 2021, the company received the first-instance judgment in favour of the company's claims from the Shanghai Financial Court. Ke Zonggui appealed to the Shanghai High People's Court later. In November 2022, the company received the judgment document from the Shanghai Higher People's Court, which allowed the company to withdraw the lawsuit against the defendant Chen Seqin, and rejected the appeal request of Ke Zonggui. As of now, the company has applied to the court for compulsory enforcement.

(3) In July 2017, the company and Ke Zonggui entered into the Business Agreement on Pledged Securities Repurchase of the Shares and the Agreement on Pledged Securities Repurchase of the Shares, pursuant to which, Ke Zonggui was financed by the company with an amount of RMB90 million, Chen Seqin, as the spouse of Ke Zonggui, shall assume joint and several liability, and Ma Meirong shall provide guarantee for the 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, which constituted a breach of contract. In order to protect its legitimate rights and interests, the company filed a lawsuit with the People's Court of Xuhui District of Shanghai, requesting repayment of principal of RMB21.73 million and the corresponding interests, liquidated damages, etc. In August 2020, the People's Court of Xuhui District of Shanghai accepted the case. In August 2021, the People's Court of Xuhui District of Shanghai issued the first-instance judgment in favour of the company's claims, and Ke Zonggui appealed later. In June 2022, the Shanghai Financial Court made a second-instance judgment, dismissing the appeal and upholding the original judgment. So far, the company has applied to the court for compulsory enforcement.

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

In 2018, the company and CITIC Guoan Group Corporation ("CITIC Guoan") entered into the Business Agreement on Pledged Securities Repurchase of the Shares and the Agreement on Pledged Securities Repurchase of the Shares, pursuant to which, CITIC Guoan was financed by the company. In October 2018, the performance guarantee ratio fell below the agreed minimum performance guarantee ratio and CITIC Guoan failed to fulfill relevant obligations according to the agreements, which constituted a breach of contract. In December 2019, the company filed a lawsuit with Shanghai Financial Court and the case was accepted, requesting repayment of principal of RMB450 million and the corresponding interests, liquidated damages, etc. Later, the case was handed over to the Third Intermediate People's Court of Beijing for trial. In December 2021, the Third Intermediate People's Court of Beijing issued a first-instance judgment in favour of the company's main claims. In January 2022, the First Intermediate People's Court of Beijing ruled to accept the reorganization application of CITIC Guoan. In January 2023, the court ruled to accept the reorganization plan, and then enforcement was implemented pursuant to the reorganization. As of now, the company has completed the reporting of its claims.

11. 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 and the Agreement on Pledged Securities Repurchase of the Shares, pursuant to which, Guoan Investment was financed by the company and CITIC Guoan shall assume joint and several liability. In October 2018, the performance guarantee ratio fell below the agreed minimum performance guarantee ratio, Guoan Investment failed to fulfill relevant obligations according to agreements, and CITIC Guoan also failed to assume corresponding guarantee obligations, which constituted a breach of contract. In December 2019, the company filed a lawsuit with the Shanghai Financial Court and the case was accepted, requesting repayment of principal of RMB328.96 million and the corresponding interests, liquidated damages, etc. Later, the case was handed over to the Third Intermediate People's Court of Beijing for trial. In December 2021, the Third Intermediate People's Court of Beijing issued a first-instance judgment in favour of the company's main claims. In January 2022, the First Intermediate People's Court of Beijing ruled to accept the reorganization application of CITIC Guoan. In June 2022, Guoan Investment was ruled by the court to merge and reorganize with CITIC Guoan. As of now, the company has completed the reporting of its claims.

XII. PENALTIES AND RECTIFICATIONS

On February 10, 2022, Mr. Wu Changqi, an independent non-executive director of the Company, was publicly criticized by the Hong Kong Stock Exchange for relevant matters in the period when he served as an independent non-executive director of Beijing Media Corporation Limited (a company listed on the Hong Kong Stock Exchange, stock code: 1000) ("Beijing Media") in relation to his breach of Rule 3.08(f) of the Hong Kong Listing Rules under his Declaration and Undertaking with regard to Directors given to the Hong Kong Stock Exchange in the form set out in Appendix 5H to the Hong Kong Listing Rules, for failing to ensure Beijing Media had maintained adequate and effective internal control in place.

Mr. Wu Changqi has resigned as an independent non-executive director of Beijing Media on November 25, 2021, and has attended 24 hours of training on regulatory and legal topics (including compliance of the Listing Rules) as required by the Hong Kong Stock Exchange.

For details, please refer to the relevant announcement disclosed by the Company at website of Cninfo at www.cninfo.com.cn. and the website of HKExnews at www.hkexnews.hk on February 14, 2022, and the regulatory announcement published by the Hong Kong Stock Exchange on the website of the Hong Kong Stock Exchange on February 10, 2022.

Save as disclosed above, during the Reporting Period, the Company and directors, supervisors and senior management of the Company were not subject to administrative punishments or public censures by securities and futures regulators and relevant self-regulatory organizations, or punishment by finance, taxation, foreign exchange and audit authorities.

XIII. 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.

XIV. CONNECTED 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, 2022, 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

Pursuant to the requirements on connected transactions under Chapter 14A of the Hong Kong Listing Rules, on December 6, 2021, the Resolution on Renewal of the Securities and Financial Products, Transactions and Services Framework Agreement with China Jianyin Investment Ltd. was considered and approved at the fifth meeting of the fifth session of the Board of Directors of the Company and was submitted to the general meeting of the Company for consideration. On December 30, 2021, the relevant resolution was considered and approved at the 2021 second extraordinary general meeting of the Company. The Company and JIC renewed the Securities and Financial Products, Transactions and Services Framework Agreement (the "Framework Agreement") for a term from January 1, 2022 to December 31, 2024, and set the annual caps for securities and financial products and transactions and securities and financial services for 2022 to 2024. For details of the renewal of the Framework Agreement, 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 December 7 and December 31, 2021 and on the website of HKExnews (www.hkexnews.hk) on December 6 and December 30, 2021.

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 equity, funds, trust, asset management schemes, exchangeable bonds, convertible bonds, structured products;
- fixed-income products, including but not limited to funds, trust, bonds, creditors' right and structured products with fixed income characteristics;
- hybrid products, including but not limited to, funds, trust, asset management schemes and structured products;
- 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. The Securities and Financial Products and Transactions are mainly conducted through the PRC inter-bank bond market and the PRC exchange bond market, exchanges (including stock exchanges, futures exchanges, Shanghai Gold Exchange, etc.) and the open-ended fund market. The commission rates and fees charged for the Securities and Financial Products and Transactions conducted through such particular trading venues depend on the particular trading venue on which the relevant transaction is carried out.

Transactions in the year ended December 31, 2022

For the year ended December 31, 2022, the annual caps and actual transaction amounts of the Securities and Financial Products and Transactions are set out below:

Unit: Thousand Yuan Currency: RMB

Securities and Financial Products and Transactions	For the year ended December 31, 2022	
	Annual cap	Actual transaction amount
In [1]	**34,373,400**	**3,648,613**
Out [2]	**37,303,400**	**2,598,849**

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/or 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 stocks, equities, bonds 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 for the last half year charged by the Group for comparable agency sale service provided to independent third party and the service fee rate for the subsisting financial products agency sale services is generally in the range of 0% to 1.5%;

- leasing of trading units services — 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 market rates for the last half year and industry practice. The commission rates charged on the leasing of trading units are generally transparent across the market. The commission rates charged by the Group for the subsisting leasing of trading units services are basically consistent with the commission rates in the market and generally in the range of 0.02% to 0.1%;

- brokerage services – the commission rates for these services are generally transparent and standardized across the market. The commission rates charged by the Group are determined based on arm's length negotiation with reference to the prevailing market rates for the latest week for securities or futures similar to existing business and generally in the range of 0.013% to 0.3%;

- investment banking services — the fees are determined with reference to factors including the market rates for projects of a similar type for the last half year and the amount of proceeds raised from the offering through competitive bidding, business negotiation or based on arm's length negotiation;

  with respect to the underwriting fees for fixed-income products (including corporate bonds, company bonds, asset securitization products, etc.), the fees are mainly determined through negotiations with issuer and competitive bidding according to the issuer, type and term of bonds;

  with respect to the pricing for investment banking business, the CSRC published the Guidance on Internal Control of Investment Banking Business of Securities Companies (《證券公司投資銀行業務內部控制指引》) in 2018, pursuant to which when carrying out investment banking business, securities companies shall determine the price reasonably based on comprehensive assessment of execution cost. The price of the investment banking business of the Company is subject to regulation by the CSRC;

- asset management services — the fees charged for asset management services are determined based on arm's length negotiations with reference to factors including the market rates for the last half year, 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. The rates charged by the Group for the subsisting asset management services are basically consistent with the market rates and generally in the range of 0.01% to 3%; and

- other miscellaneous securities and financial advisory and consulting services — such services are determined based on arm's length negotiation with reference to the market rates for the last half year 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, 2022

For the year ended December 31, 2022, the annual caps and actual transaction amounts of the Securities and Financial Services are set out below:

Unit: Thousand Yuan Currency: RMB

	For the year ended December 31, 2022	
	Annual cap	Actual transaction amount
The Group's revenue generated from providing the Securities and Financial Services to JIC and/or its associates	**186,270**	**22,937**

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.

The Company has submitted the letter of auditor to the Hong Kong Stock Exchange.

Save as disclosed above, there are no other related party transactions as set out in note 55 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.

XV. 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 during the Reporting Period

External guarantees of the Company and its subsidiaries (excluding guarantees in favour of subsidiaries)

Name of guaranteed party	Date of disclosure of announcement in relation to the amount of guarantee	Amount of guarantee	Date of actual occurrence	Actual guarantee amount	Type of guarantee	Collaterals (if any)	Counter-guarantee (if any)	Guarantee period	Fully performed or not	Related party guarantee or not
-	-	-	-	-	-	-	-	-	-	-
Total amount of external guarantees approved during the Reporting Period (A1)		-		Total actual amount of external guarantees during the Reporting Period (A2)						-
Total amount of external guarantees approved at the end of the Reporting Period (A3)		-		Total balance of actual external guarantees at the end of the Reporting Period (A4)						-

Guarantees of the Company in favour of subsidiaries

Name of guaranteed party	Date of disclosure of announcement in relation to the amount of guarantee	Amount of guarantee	Date of actual occurrence	Actual guarantee amount	Type of guarantee	Collaterals (if any)	Counter-guarantee (if any)	Guarantee period	Fully performed or not	Related party guarantee or not
Hongyuan Hengli (Shanghai) Industrial Co., Ltd.	2022-3-8	RMB100,000,000	2022-3-8	RMB100,000,000	Joint and several liability guarantee	Nil	Nil	3 years	No	No
Total amount of guarantees in favour of subsidiaries approved during the Reporting Period (B1)		RMB100,000,000		Total amount of actual guarantees in favour of subsidiaries during the Reporting Period (B2)						RMB100,000,000
Total amount of guarantees in favour of subsidiaries approved as at the end of the Reporting Period (B3)		RMB320,000,000		Total balance of actual guarantees in favour of subsidiaries as at the end of the Reporting Period (B4)						RMB174,042,600

Guarantees of subsidiaries in favour of subsidiaries

Name of guaranteed party	Date of disclosure of announcement in relation to the amount of guarantee	Amount of guarantee	Date of actual occurrence	Actual guarantee amount	Type of guarantee	Collaterals (if any)	Counter-guarantee (if any)	Guarantee period	Fully performed or not	Related party guarantee or not
Shenwan Hongyuan (International) Holdings Limited	2022-3-18	RMB2,253,918,700	2022-3-16	RMB2,253,918,700	Joint and several liability guarantee	Nil	Nil	3 years	No	No
Total amount of guarantees in favour of subsidiaries approved during the Reporting Period (C1)		RMB2,253,918,700		Total amount of actual guarantees in favour of subsidiaries during the Reporting Period (C2)						RMB2,253,918,700
Total amount of guarantees in favour of subsidiaries approved as at the end of the Reporting Period (C3)		RMB6,049,625,700		Total balance of actual guarantees in favour of subsidiaries as at the end of the Reporting Period (C4)						RMB6,049,625,700
Total guarantees of the Company (being the sum of the above three guarantees)										
Total amount of guarantees approved during the Reporting Period (A1+B1+C1)		RMB2,353,918,700		Total amount of actual guarantees during the Reporting Period (A2+B2+C2)						RMB2,353,918,700
Total amount of guarantees approved as at the end of the Reporting Period (A3+B3+C3)		RMB6,369,625,700		Total balance of actual guarantees as at the end of the Reporting Period (A4+B4+C4)						RMB6,223,668,300
Total actual guarantees (i.e. A4+B4+C4) as a percentage of net assets of the Company										6.55%
Including:										
Balance of guarantees in favour of shareholders, actual controllers and their related parties (D)										0
Balance of debt guarantees direct or indirectly in favour of guarantee parties with gearing ratio of over 70% (E)										0
Amount of total guarantees in excess of 50% of net assets (F)										0
Total amount of the above three guarantees (D+E+F)										0
For unexpired guarantee contracts, descriptions about the guarantee liabilities occurred or possible joint and several liabilities of repayment with evidence during the Reporting Period (if any)										Nil
External guarantees in breach of procedural requirements (if any)										Nil

Notes: During the Reporting Period, Shenwan Hongyuan (H.K.) Limited, an overseas subsidiary of Shenwan Hongyuan Securities, provided guarantees in favour of its wholly-owned subsidiaries in accordance with the transaction practices in international markets, mainly including:

(1) For the needs of normal business, Shenwan Hongyuan (H.K.) Limited provided guarantees in favour of its wholly-owned subsidiaries for the entering into of several International Swaps and Derivatives Associations (ISDA) and Global Master Repurchase Agreement (GMRA), etc. As of the end of the Reporting Period, the total balance of derivative financial liabilities and repurchase liabilities amounted to HK$290 million in equivalent.

(2) Shenwan Hongyuan (H.K.) Limited provided a limit of US$1 billion of structured bills in favour of its wholly-owned subsidiaries. As of the end of the Reporting Period, the total balance of liabilities amounted to HK$1.93 billion in equivalent.

(3) Shenwan Hongyuan (H.K.) Limited provided guarantee for debt financing to its wholly-owned subsidiaries with regarding to its bank loans, the guarantee limit totalled HK$1.74 billion in equivalent. As of the end of the Reporting Period, the actual balance of guarantee withdrawn amounted to HK$21,000 in equivalent.

1. Provision of guarantees for Hongyuan Hengli by the Company

On March 30, 2021 and May 28, 2021, the Company convened the meetings of the Board of Directors and general meetings at which the Resolution Regarding the Provision of Guarantee for Hongyuan Hengli (Shanghai) Industrial Co., Ltd. was considered and approved, pursuant to which, the Company shall provide guarantee for the external financing of Hongyuan Hengli in an amount of no more than RMB1 billion.

On March 7, 2022, the Company entered into a guarantee contract relating to maximum principal of debts of RMB100 million with China Construction Bank Corporation Shanghai Second Sub-branch ("CCB Shanghai Branch No. 2") for the comprehensive credit granting business of Hongyuan Hengli.

2. Provision of guarantee by Shenwan Hongyuan Securities, a subsidiary of the Company

In order to meet the needs of business development, Shenwan Hongyuan Securities approved the issuance of bonds in a total amount of no more than US$800 million (or foreign currency in an equivalent amount) with a maturity of no more than 5 years (including 5 years) by Shenwan Hongyuan International Finance Limited as the issuer, an overseas special purpose vehicle of its wholly-owned overseas subsidiary Shenwan Hongyuan (International) Holdings Limited, and approved to provide joint and several liability guarantee for the aforementioned issuance of bonds. On March 16, 2022, Shenwan Hongyuan Securities entered into relevant guarantee agreements with China Construction Bank (Asia) Corporation Limited in connection with the issuance of US$300 million overseas bonds with a maturity of 3 years and a coupon rate of 2.625% by the abovementioned issuer.

As of the end of the Reporting Period, the total guarantees of the Company amounted to RMB6,223,668,300, accounting for 6.55% 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 December 31, 2022, except for the abovementioned approved guarantees for subsidiaries, the Company has not provided guarantees for the actual controller and its subsidiaries, any unincorporated entities or individuals.

(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 March 31 and May 29, 2021, March 9 and March 19, 2022 and on the website of HKExnews (www.hkexnews.hk) on March 30 and May 28, 2021, March 8 and March 18, 2022)

(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 Company 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.

On December 6, 2021, the Resolution on Renewal of the Securities and Financial Products, Transactions and Services Framework Agreement with China Jianyin Investment Ltd. was considered and approved at the fifth meeting of the fifth session of the Board of Directors of the Company and was submitted to the general meeting of the Company for consideration. On December 30, 2021, the relevant resolution was considered and approved at the 2021 second extraordinary general meeting of the Company. The Company and China Jianyin Investment Ltd. renewed the Securities and Financial Products, Transactions and Services Framework Agreement for a term from January 1, 2022 to December 31, 2024, and set the annual caps for securities and financial products and transactions and securities and financial services for 2022 to 2024. For details of the renewal of framework agreement, 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 December 7 and December 31, 2021 and on the website of HKExnews (www.hkexnews.hk) on December 6 and December 30, 2021.

XVI. CHANGES IN THE QUALIFICATIONS FOR INDIVIDUAL BUSINESSES OF THE COMPANY IN 2022

During the Reporting Period, Shenwan Hongyuan Securities, a subsidiary of the Company, obtained the following qualifications for individual businesses:

Institution	Business qualification
China Securities Regulatory Commission	Qualification of individual pension marketing agent
	Qualification for listed securities market maker
Shanghai Stock Exchange	Qualification of main market maker of CSI 500 ETF (510500) options
	First batch of qualification of core dealer of CDX contracts
	Qualification of fund market maker
Shenzhen Stock Exchange	Qualification of main market maker of ChiNext ETF (159915) options
	Qualification of main market maker of CSI 500 ETF (159922) options
	Qualification of main market maker of SZSE 100 ETF (159901) options
	First batch of qualification of core dealer of CDX contracts
	Qualification of fund market maker
China Financial Futures Exchange	Qualification of main market maker of SSE 50 stock index options
	Qualification of main market maker of CSI 1000 stock index options
Guangzhou Futures Exchange	Qualification of main market maker of industrial silicon options
Shanghai Futures Exchange	Qualification of main market maker of aluminum options
	Qualification of proprietary clearing house for commodity exchange
Zhengzhou Commodity Exchange	Qualification of general market maker (obtained in March) and main market maker (obtained in July) of cotton options
	Qualification of general market maker (obtained in March) and main market maker (obtained in July) of canola meal options
	Qualification of general market maker white sugar options
	Qualification of main market maker of PTA futures
	Qualification of main market maker of peanut options
	Qualification of main market maker of vegetable oil options
Dalian Commodity Exchange	Qualification of main market maker of soybean No. 2 options
	Qualification of main market maker of iron ore futures
China Securities Finance Corporation Limited	Qualification for market making lending business on the STAR Market

XVII. AGENCY SALES OF FINANCIAL PRODUCTS DURING THE REPORTING PERIOD

Unit: Yuan Currency: RMB

Financial products under agency sales	2022		2021	
	Total sales amount	Total sales income	Total sales amount	Total sales income
Funds	**43,190,807,615.46**	**106,698,539.91**	58,697,542,467.49	138,396,006.55
Wealth management products of banks	**–**	**–**	–	–
Other financial products	**889,219,220.31**	**168,865,866.98**	42,465,129,414.96	312,504,200.86
Total	**44,080,026,835.77**	**275,564,406.89**	101,162,671,882.45	450,900,207.41

Note: The scope of statistics includes Shenwan Hongyuan Securities and its securities subsidiaries.

XVIII. 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

Due to the single source of capital replenishment and the impact of business expansion, Shenwan Hongyuan Securities's capital adequacy ratio may face the risk of decline in the future. The main impact factors are: (1) the slow growth of Net Capital size; and (2) the rapid growth of risk-based capital reserve for each business.

1. 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, the issuance of perpetual bonds and subordinated bonds, the company will accelerate research on preferred shares and convertible bonds, to expand channels for capital replenishment and maintain sufficient capital level.

2. Factors affecting risk capital reserves

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

In recent years, Shenwan Hongyuan Securities's 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) Policy uncertainty risk

In the future, policy changes will bring certain uncertainty to the withdrawal of Shenwan Hongyuan Securities's 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.

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

Upon the approval by the Shenzhen Stock Exchange and registration with China Securities Regulatory Commission (Zheng Jian Xu Ke [2020] No. 3270), Shenwan Hongyuan Securities was permitted to issue subordinated corporate bonds with an aggregate face value of no more than RMB20 billion to professional investors. On April 27, 2022, Shenwan Hongyuan Securities issued the fourth tranche of subordinated corporate bonds under the approval, named Subordinated Bonds (First Tranche) Publicly Issued by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2022, with an issuance size of RMB3 billion and a maturity of 3 years.

Upon the approval by the Shenzhen Stock Exchange and registration with China Securities Regulatory Commission (Zheng Jian Xu Ke [2022] No. 1286), Shenwan Hongyuan Securities was permitted to publicly issue perpetual subordinated bonds of no more than RMB20 billion. On July 27, 2022, Shenwan Hongyuan Securities issued the Perpetual Subordinated Bonds (First Tranche) Publicly Issued by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2022, with an issuance size of RMB5 billion and a maturity of 5+N years; on August 25, 2022, Shenwan Hongyuan Securities issued the Perpetual Subordinated Bonds (Second Tranche) Publicly Issued by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2022, with an issuance size of RMB4.8 billion and a maturity of 5+N years.

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

No.	Date	Regulatory authority	Document name	Document No.
1	2022.06.20	CSRC	Approval for Registration of Perpetual Subordinated Corporate Bonds Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors	Zheng Jian Xu Ke [2022] No. 1286
2	2022.08.15	CSRC	Approval for Registration of Corporate Bonds Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors	Zheng Jian Xu Ke [2022] No. 1790
3	2022.10.28	CSRC	Approval for Establishment of Asset Management Subsidiary by Shenwan Hongyuan Securities Co., Ltd.	Zheng Jian Xu Ke [2022] No. 2615
4	2022.11.11	CSRC	Approval for Qualification of Listed Securities Market Maker of Shenwan Hongyuan Securities Co., Ltd.	Zheng Jian Xu Ke [2022] No. 2168

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

During the Reporting Period, the main risk control indicators of Shenwan Hongyuan Securities with Net Capital and liquidity as the core were in compliance with regulatory requirements.

XXI. OTHER SIGNIFICANT EVENTS

Implementation of the profit distribution plan for 2021

The profit distribution plan of the Company for 2021 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, 2021, 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.

For A shareholders, the Company completed the implementation of the 2021 profit distribution plan on August 5, 2022 with August 4, 2022 as the equity registration date and August 5, 2022 as the ex-dividend date. (For details, please refer to the Announcement on Implementation of the 2021 Profit Distribution Plan for A Shares 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 1, 2022).

For H shareholders, the Company distributed cash dividend for 2021 of RMB1.00 (tax inclusive) per 10 Shares to the shareholders whose names appear on the register of members of the Company on June 30, 2022. The 2021 cash dividend was distributed on August 5, 2022. The 2021 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. RMB0.85103 = HK$1.00) published by the People's Bank of China for the five working days before June 10, 2022 (being the date of the annual general meeting). Accordingly, the cash dividend per 10 H Shares was HK$1.17505 (tax inclusive). (For details, please refer to the Poll Results of the 2021 Annual General Meeting and Payment of Cash Dividend disclosed by the Company on the website of HKExnews (www.hkexnews.hk) on June 10, 2022).

XXII. INDEX OF IMPORTANT INFORMATION DISCLOSED DURING THE REPORTING PERIOD

In 2022, 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.	Announcement	Date of publication
1	Provisional Report on Entrusted Management by Huatai United Securities Co., Ltd. on Major Issues Regarding Bonds of Shenwan Hongyuan Group Co., Ltd.	2022-01-04
2	Announcement on Progress of the Material Litigation Involving a Subsidiary	2022-01-04
3	Provisional Report on Entrusted Management by Chasing Securities Co., Ltd. on Major Issues of Shenwan Hongyuan Group Co., Ltd.	2022-01-04
4	Announcement on Repayment of Principal and Payment of Interest and Delisting of Corporate Bonds (19 ShenZheng 01 and 20 ShenZheng 01) of Shenwan Hongyuan Securities Co., Ltd.	2022-01-19
5	Announcement on the Results of Public Issuance of Corporate Bonds (First Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2022	2022-01-22
6	Announcement on the Results of the Issuance of the First Tranche of Short-term Financing Bonds by Shenwan Hongyuan Securities Co., Ltd. in 2022	2022-01-28
7	Announcement on the Listing of Corporate Bonds (First Tranche) Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2022 at the Shenzhen Stock Exchange	2022-01-28
8	Announcement on Repayment of Principal and Payment of Interest and Delisting of 17 ShenZheng 01 and the Results of Issuance of 22 Shenwanhongyuan CP002 of Shenwan Hongyuan Securities Co., Ltd.	2022-02-19
9	Announcement on Repayment of Principal and Payment of Interest and Delisting of Corporate Bonds (Second Tranche) (Type I) Issued in a Non-public Way by Shenwan Hongyuan Securities Co., Ltd. in 2020	2022-02-23
10	Announcement on the Results of Public Issuance of Corporate Bonds (Second Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2022	2022-02-24
11	Credit Rating Report on the Corporate Bonds (First Tranche) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-03-02
12	Prospectus on Public Issuance of Corporate Bonds (First Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-03-02
13	Summary of the Prospectus on Public Issuance of Corporate Bonds (First Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-03-02

No.	Announcement	Date of publication
14	Announcement on Issuance of Corporate Bonds (First Tranche) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-03-02
15	Announcement of Shenwan Hongyuan Group Co., Ltd. on Change of Name for the Publicly Issued Corporate Bonds	2022-03-02
16	Announcement on the Listing of Corporate Bonds (Second Tranche) Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2022 at the Shenzhen Stock Exchange	2022-03-03
17	Announcement on the Coupon Rate of the Corporate Bonds (First Tranche) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-03-04
18	Announcement on Extending the Bookkeeping Time for the Public Issuance of Corporate Bonds (First Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-03-04
19	Announcement on Payment of Interests for 2022 for the Corporate Bonds (First Tranche) (Type I) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2021	2022-03-04
20	Announcement on Payment of Interests for 2022 for the Corporate Bonds (First Tranche) (Type II) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2021	2022-03-04
21	Announcement on Extending the Bookkeeping Time for the Public Issuance of Corporate Bonds (First Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-03-04
22	Announcement on Repayment of Principal and Payment of Interest for 2022 and Delisting of Corporate Bonds (First Tranche) Issued in a Non-public Way by Shenwan Hongyuan Group Co., Ltd. in 2019	2022-03-05
23	Announcement on the Results of Issuance of Corporate Bonds (First Tranche) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-03-08
24	Announcement on Arbitration Involving a Subsidiary	2022-03-09
25	Provisional Report on Entrusted Management by Chasing Securities Co., Ltd. on Major Issues of Shenwan Hongyuan Group Co., Ltd.	2022-03-09
26	Provisional Report on Entrusted Management by Huatai United Securities Co., Ltd. on Major Issues Regarding Bonds of Shenwan Hongyuan Group Co., Ltd.	2022-03-09
27	Announcement on Progress of Providing Guarantee for a Wholly-owned Subsidiary	2022-03-09
28	Announcement on the Listing of Corporate Bonds (First Tranche) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022 at the Shenzhen Stock Exchange	2022-03-11
29	Announcement on Proposed Issuance of Bonds by Shenwan Hongyuan Securities Co., Ltd.	2022-03-15
30	Announcement on Repayment of Principal and Payment of Interest and Delisting of Corporate Bonds (Second Tranche) (Type I) Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Qualified Investors in 2019	2022-03-15
31	Provisional Report on Entrusted Management by Chasing Securities Co., Ltd. on Major Issues of Shenwan Hongyuan Group Co., Ltd.	2022-03-17
32	Provisional Report on Entrusted Management by Huatai United Securities Co., Ltd. on Major Issues Regarding Bonds of Shenwan Hongyuan Group Co., Ltd.	2022-03-17
33	Announcement on Arbitration Involving a Subsidiary	2022-03-17
34	Announcement on Progress of Provision of Guarantees by Shenwan Hongyuan Securities Co., Ltd. to the Overseas Subsidiary for Issuance of Bonds	2022-03-19
35	Announcement on Litigation Involving a Subsidiary	2022-03-23
36	Provisional Report on Entrusted Management by Huatai United Securities Co., Ltd. on Major Issues Regarding Bonds of Shenwan Hongyuan Group Co., Ltd.	2022-03-23

No.	Announcement	Date of publication
37	Provisional Report on Entrusted Management by Chasing Securities Co., Ltd. on Major Issues of Shenwan Hongyuan Group Co., Ltd.	2022-03-23
38	Announcement on the Results of Public Issuance of Corporate Bonds (Third Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2022	2022-03-26
39	Announcement on the Results of the Issuance of the Third Tranche of Short-term Financing Bonds by Shenwan Hongyuan Securities Co., Ltd. in 2022	2022-03-30
40	2021 Social Responsibility Report	2022-03-31
41	Annual Special Audit Report on the Appropriation of Funds by Related Parties	2022-03-31
42	2021 Auditors' Report	2022-03-31
43	Internal Control Assurance Report	2022-03-31
44	2021 Work Report of the Board of Directors of Shenwan Hongyuan Group Co., Ltd.	2022-03-31
45	2021 Work Report of the Board of Supervisors of Shenwan Hongyuan Group Co., Ltd.	2022-03-31
46	Announcement on Estimated Daily Related Party Transactions for 2022	2022-03-31
47	Independent Opinions of Independent Directors on External Guarantees and Other Matters	2022-03-31
48	Annual Work Report of Independent Directors	2022-03-31
49	2021 Annual Report	2022-03-31
50	Self-Assessment Report on Internal Control	2022-03-31
51	Announcement on Resolutions of the Board of Directors	2022-03-31
52	Announcement on Resolutions of the Board of Supervisors	2022-03-31
53	Summary of 2021 Annual Report	2022-03-31
54	Announcement on the Listing of Corporate Bonds (Third Tranche) Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2022 at the Shenzhen Stock Exchange	2022-04-01
55	Announcement on Convening 2021 Annual Results Presentation	2022-04-02
56	Announcement on Repayment of Principal and Payment of Interest for 2022 and Delisting of Corporate Bonds (Second Tranche) (Type I) Issued in a Non-public Way by Shenwan Hongyuan Group Co., Ltd. in 2019	2022-04-09
57	Prospectus on Public Issuance of Corporate Bonds (Second Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-04-20
58	Announcement on Issuance of Corporate Bonds (Second Tranche) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-04-20
59	Announcement of Shenwan Hongyuan Group Co., Ltd. on Change of Name for the Publicly Issued Corporate Bonds	2022-04-20
60	Summary of the Prospectus on Public Issuance of Corporate Bonds (Second Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-04-20
61	Credit Rating Report on the Corporate Bonds (Second Tranche) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-04-20
62	Announcement on Extending the Bookkeeping Time for the Public Issuance of Corporate Bonds (Second Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-04-22
63	Announcement on Extending the Bookkeeping Time for the Public Issuance of Corporate Bonds (Second Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-04-22
64	Announcement on the Coupon Rate of the Corporate Bonds (Second Tranche) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-04-25

No.	Announcement	Date of publication
65	Announcement on the Results of Issuance of Corporate Bonds (Second Tranche) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-04-26
66	Announcement on the Results of the Issuance of the Fourth Tranche of Short-term Financing Bonds by Shenwan Hongyuan Securities Co., Ltd. in 2022	2022-04-26
67	Announcement on the Results of Public Issuance of Subordinated Bonds (First Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2022	2022-04-29
68	Announcement on Repayment of Principal and Payment of Interest and Delisting of Short-term Corporate Bonds (Second Tranche) (Type I) Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2021	2022-04-29
69	Independent Opinions of Independent Directors	2022-04-30
70	2022 First Quarterly Report	2022-04-30
71	Announcement on Resolutions of the Board of Directors	2022-04-30
72	Announcement on Re-appointment of Accounting Firms	2022-04-30
73	Announcement on the Listing of Corporate Bonds (Second Tranche) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022 at the Shenzhen Stock Exchange	2022-05-05
74	Announcement on the Listing of the Subordinated Bonds (First Tranche) Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2022 at the Shenzhen Stock Exchange	2022-05-11
75	Announcement on Repayment of Principal and Payment of Interest and Delisting of Corporate Bonds (Third Tranche) (Type I) Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Qualified Investors in 2019	2022-05-11
76	Provisional Report on Entrusted Management by Chasing Securities Co., Ltd. on Major Issues of Shenwan Hongyuan Group Co., Ltd.	2022-05-12
77	Provisional Report on Entrusted Management by Huatai United Securities Co., Ltd. on Major Issues Regarding Bonds of Shenwan Hongyuan Group Co., Ltd.	2022-05-12
78	Announcement on Litigation Involving a Subsidiary	2022-05-12
79	Announcement on Convening the 2021 Annual General Meeting	2022-05-20
80	Materials of 2021 Annual General Meeting of Shenwan Hongyuan Group Co., Ltd.	2022-05-20
81	Announcement on the Results of Public Issuance of Corporate Bonds (Fourth Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2022	2022-05-25
82	Ongoing Credit Rating Report on Shenwan Hongyuan Group Co., Ltd. and the Bonds (18 ShenHong 01 and 18 ShenHong 02) Issued Publicly by It	2022-05-30
83	Ongoing Credit Rating Report on the Public Issuance of Bonds by Shenwan Hongyuan Group Co., Ltd. in 2022	2022-05-30
84	Announcement on the Listing of Corporate Bonds (Fourth Tranche) Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2022 at the Shenzhen Stock Exchange	2022-05-31
85	Provisional Report on Entrusted Management by Huatai United Securities Co., Ltd. on Major Issues Regarding Bonds of Shenwan Hongyuan Group Co., Ltd.	2022-06-10
86	Provisional Report on Entrusted Management by Chasing Securities Co., Ltd. on Major Issues of Shenwan Hongyuan Group Co., Ltd.	2022-06-10
87	Announcement on Progress of the Litigation Involving a Subsidiary	2022-06-10
88	Announcement on Resolutions of the 2021 Annual General Meeting	2022-06-11
89	Legal Opinion on the 2021 Annual General Meeting of Shenwan Hongyuan Group Co., Ltd.	2022-06-11
90	Provisional Report on Entrusted Management by Chasing Securities Co., Ltd. on Major Issues of Shenwan Hongyuan Group Co., Ltd.	2022-06-22

No.	Announcement	Date of publication
91	Provisional Report on Entrusted Management by Huatai United Securities Co., Ltd. on Major Issues Regarding Bonds of Shenwan Hongyuan Group Co., Ltd.	2022-06-22
92	Announcement on Litigation Involving a Subsidiary	2022-06-22
93	Announcement on Participation in the Online Collective Reception Day for Investors of Listed Companies in Xinjiang in 2022	2022-06-22
94	Entrusted Management Report on the Non-public Issuance of Corporate Bonds (Third Tranche) by Shenwan Hongyuan Group Co., Ltd. in 2019 (2021)	2022-06-28
95	Entrusted Management Report on the Public Issuance of Corporate Bonds (First Tranche) by Shenwan Hongyuan Group Co., Ltd. to Qualified Investors in 2018 (2021)	2022-06-28
96	Entrusted Management Report on the Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. (2021)	2022-06-28
97	Announcement on the Approval of the CSRC for the Registration of Perpetual Subordinated Bonds Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors	2022-06-29
98	Provisional Report on Entrusted Management by Huatai United Securities Co., Ltd. on Major Issues Regarding Bonds of Shenwan Hongyuan Group Co., Ltd.	2022-07-01
99	Provisional Report on Entrusted Management by Chasing Securities Co., Ltd. on Major Issues of Shenwan Hongyuan Group Co., Ltd.	2022-07-01
100	Announcement on Progress of the Litigation Involving a Subsidiary	2022-07-01
101	Prospectus on Public Issuance of Corporate Bonds (Second Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-07-01
102	Announcement on Resolutions of the Ninth Meeting of the Fifth Session of the Board of Directors	2022-07-01
103	Announcement on the Completion of Payment of the 2022 First Tranche Short-term Financing Bonds of Shenwan Hongyuan Securities Co., Ltd.	2022-07-02
104	Announcement on Payment of Interests for 2022 for the Corporate Bonds (Second Tranche) (Type II) Issued Putblicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2021	2022-07-13
105	Announcement on Payment of Interests for 2022 for the Corporate Bonds (First Tranche) (Type II) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Qualified Investors in 2018	2022-07-13
106	Announcement on Payment of Interests for 2022 for the Corporate Bonds (First Tranche) (Type I) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Qualified Investors in 2018	2022-07-13
107	Provisional Report on Entrusted Management by Huatai United Securities Co., Ltd. on Major Issues Regarding Bonds of Shenwan Hongyuan Group Co., Ltd.	2022-07-14
108	Provisional Report on Entrusted Management by Chasing Securities Co., Ltd. on Major Issues of Shenwan Hongyuan Group Co., Ltd.	2022-07-14
109	Announcement on Progress of the Arbitration Involving a Subsidiary	2022-07-14
110	Provisional Report on Entrusted Management by Chasing Securities Co., Ltd. on Major Issues of Shenwan Hongyuan Group Co., Ltd.	2022-07-29
111	Announcement on Progress of the Arbitration Involving a Subsidiary	2022-07-29
112	Provisional Report on Entrusted Management by Huatai United Securities Co., Ltd. on Major Issues of Shenwan Hongyuan Group Co., Ltd.	2022-07-29
113	Announcement on Repayment of Principal and Payment of Interest and Delisting of the Short-term Corporate Bonds (Second Tranche) (Type II) Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021	2022-07-29
114	Announcement on the Results of Public Issuance of Perpetual Subordinated Bonds (First Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2022	2022-07-29

No.	Announcement	Date of publication
115	Announcement on Implementation of Profit Distribution for A Shares by Shenwan Hongyuan Group Co., Ltd. in 2021	2022-08-01
116	Announcement on Payment of Interest for 2022 of the Corporate Bonds (Third Tranche) (Type I) Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2021	2022-08-02
117	Announcement on Payment of Interest for 2022 of the Corporate Bonds (Third Tranche) (Type II) Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2021	2022-08-02
118	Announcement on the Listing of the Perpetual Subordinated Bonds (First Tranche) Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 on the Shenzhen Stock Exchange	2022-08-06
119	Announcement on Resolutions of the Tenth Meeting of the Fifth Session of the Board of Directors	2022-08-06
120	Independent Opinions of Independent Directors	2022-08-06
121	Materials for the 2022 First Extraordinary General Meeting	2022-08-09
122	Notice on Convening the 2022 First Extraordinary General Meeting	2022-08-09
123	Announcement on Repayment of Principal and Payment of Interest and Delisting of the Short-term Corporate Bonds (Third Tranche) (Type I) Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021	2022-08-10
124	Announcement on the Results of the Issuance of the Fifth Tranche of Short-term Financing Bonds by Shenwan Hongyuan Securities Co., Ltd. in 2022	2022-08-20
125	Credit Rating Report on the Corporate Bonds (Third Tranche) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-08-24
126	Summary of the Prospectus on Public Issuance of Corporate Bonds (Third Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-08-24
127	Announcement of Shenwan Hongyuan Group Co., Ltd. on Change of Name for the Publicly Issued Corporate Bonds	2022-08-24
128	Prospectus on Public Issuance of Corporate Bonds (Third Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-08-24
129	Announcement on Issuance of Corporate Bonds (Third Tranche) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-08-24
130	Announcement on the Approval of the CSRC for the Registration of the Public Issuance of Corporate Bonds to Professional Investors	2022-08-24
131	Announcement on the Coupon Rate of the Corporate Bonds (Third Tranche) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-08-26
132	Announcement on Extending the Bookkeeping Time for the Public Issuance of Corporate Bonds (Third Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-08-26
133	Announcement on Extending the Bookkeeping Time for the Public Issuance of Corporate Bonds (Third Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-08-26
134	Announcement on the Results of Public Issuance of Perpetual Subordinated Bonds (Second Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2022	2022-08-26
135	Announcement on Change in Chairman of the Board	2022-08-27
136	Announcement on Resolutions of the Eleventh Meeting of the Fifth Session of the Board of Directors	2022-08-27
137	Announcement on Resolutions of the 2022 First Extraordinary General Meeting	2022-08-27
138	Independent Opinion of the Independent Directors on the Resignation of the Chairman	2022-08-27
139	Legal Opinion of Beijing Alliance J&S Law Firm on the 2022 First Extraordinary General Meeting of Shenwan Hongyuan Group Co., Ltd.	2022-08-27

No.	Announcement	Date of publication
140	Announcement on the Results of the Public Issuance of Corporate Bonds (Third Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2022-08-30
141	Interim Financial Report for 2022	2022-08-31
142	2022 Interim Report	2022-08-31
143	Summary of 2022 Interim Report	2022-08-31
144	Summary of Non-Operating Funds and Other Related Funds Transactions for The Half-Year	2022-08-31
145	Independent Opinions of Independent Directors on the Appropriation of Capital of the Company and External Guarantees of the Company's Controlling Shareholder and Other Related Parties	2022-08-31
146	Announcement of Concern over Change of Chairman of Shenwan Hongyuan Group Co., Ltd. by China Lianhe Credit Rating Co., Ltd.	2022-09-01
147	Provisional Report on Entrusted Management by Chasing Securities Co., Ltd. on the Change of Chairman of Shenwan Hongyuan Group Co., Ltd.	2022-09-01
148	Provisional Report on Entrusted Management by Huatai United Securities Co., Ltd. on the Change of Chairman of Shenwan Hongyuan Group Co., Ltd.	2022-09-01
149	Announcement on the Listing of the Corporate Bonds (Third Tranche) Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2022 on the Shenzhen Stock Exchange	2022-09-02
150	Announcement on the Listing of the Perpetual Subordinated Bonds (Second Tranche) Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 on the Shenzhen Stock Exchange	2022-09-02
151	First Indicative Announcement on Adjustment of Coupon Rate and Measures for Implementation of Put-back by Investors for "19 ShenHong 04" Bonds by Shenwan Hongyuan Group Co., Ltd.	2022-09-16
152	Announcement on Change of Chairman of Shenwan Hongyuan Securities Co., Ltd.	2022-09-17
153	Second Indicative Announcement on Adjustment of Coupon Rate and Measures for Implementation of Put-back by Investors for "19 ShenHong 04" Bonds by Shenwan Hongyuan Group Co., Ltd.	2022-09-17
154	Third Indicative Announcement on Adjustment of Coupon Rate and Measures for Implementation of Put-back by Investors for "19 ShenHong 04" Bonds by Shenwan Hongyuan Group Co., Ltd.	2022-09-20
155	Announcement on the Obtaining the Qualification for Market-making of Listed Securities by Shenwan Hongyuan Securities Co., Ltd.	2022-09-21
156	Announcement on the Completion of the Repayment of the 2019 First Tranche of Financing Bonds of Shenwan Hongyuan Securities Co., Ltd.	2022-09-22
157	Provisional Report on Entrusted Management by Chasing Securities Co., Ltd. on the Progress of the Litigation Matters Involving by Subsidiaries of Shenwan Hongyuan Group Co., Ltd.	2022-09-23
158	Announcement on Progress of the Litigation Involving a Subsidiary	2022-09-23
159	Provisional Report on Entrusted Management by Huatai United Securities Co., Ltd. on the Litigation Matters Involving by Shenwan Hongyuan Group Co., Ltd.	2022-09-23
160	Provisional Report on Entrusted Management by Huatai United Securities Co., Ltd. on the Progress of the Litigation Matters Involving by Subsidiaries of Shenwan Hongyuan Group Co., Ltd.	2022-10-11
161	Announcement on Litigation Involving a Subsidiary	2022-10-11
162	Provisional Report on Entrusted Management by Chasing Securities Co., Ltd. on the Litigation Matters Involving by Subsidiaries of Shenwan Hongyuan Group Co., Ltd.	2022-10-11
163	Provisional Report on Entrusted Management by Huatai United Securities Co., Ltd. on the Progress of the Litigation Matters Involving by Subsidiaries of Shenwan Hongyuan Group Co., Ltd.	2022-10-18
164	Announcement on Progress of the Litigation Involving a Subsidiary	2022-10-18
165	Provisional Report on Entrusted Management by Chasing Securities Co., Ltd. on the Progress of the Litigation Matters Involving by Subsidiaries of Shenwan Hongyuan Group Co., Ltd.	2022-10-18

No.	Announcement	Date of publication
166	Announcement on the Completion of the Repayment of the 2021 Seventh Tranche of Short-term Financing Bonds of Shenwan Hongyuan Securities Co., Ltd.	2022-10-20
167	Announcement on Payment of Interests for 2022 for the Corporate Bonds (Third Tranche) Issued in a Non-public Way by Shenwan Hongyuan Group Co., Ltd. in 2019	2022-10-22
168	Announcement of Shenwan Hongyuan Group Co., Ltd. on the Put-back Results and Delisting of 19 Shenhong 04	2022-10-22
169	Announcement of Shenwan Hongyuan Group Co., Ltd. on Serving the High Quality Development of Real Economy	2022-10-28
170	2022 Third Quarterly Report	2022-10-29
171	Announcement on the Provision for the Allowance for Assets Impairment by Shenwan Hongyuan Group Co., Ltd.	2022-10-29
172	Announcement on the Completion of the Repayment of the 2021 Eighth Tranche of Short-term Financing Bonds of Shenwan Hongyuan Securities Co., Ltd.	2022-11-01
173	Provisional Report on Entrusted Management by Chasing Securities Co., Ltd. on the Litigation Matters Involving by Subsidiaries of Shenwan Hongyuan Group Co., Ltd.	2022-11-02
174	Announcement on Litigation Involving a Subsidiary	2022-11-02
175	Provisional Report on Entrusted Management by Huatai United Securities Co., Ltd. on the Litigation Matters Involving by Subsidiaries of Shenwan Hongyuan Group Co., Ltd.	2022-11-02
176	Announcement on the Approval of the Establishment of Asset Management Subsidiary by Shenwan Hongyuan Securities Co., Ltd.	2022-11-04
177	Provisional Report on Entrusted Management by Huatai United Securities Co., Ltd. on the Progress of the Litigation Matters Involving by Subsidiaries of Shenwan Hongyuan Group Co., Ltd.	2022-11-09
178	Provisional Report on Entrusted Management by Chasing Securities Co., Ltd. on the Progress of the Litigation Matters Involving by Subsidiaries of Shenwan Hongyuan Group Co., Ltd.	2022-11-09
179	Announcement on Progress of the Litigation Involving a Subsidiary	2022-11-09
180	Announcement on Repayment of Principal and Payment of Interest and Delisting of the Corporate Bonds (Fourth Tranche) (Type II) Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2020	2022-11-18
181	Announcement on the Completion of the Repayment of the 2022 Fourth Tranche of Short-term Financing Bonds of Shenwan Hongyuan Securities Co., Ltd.	2022-11-24
182	Provisional Report on Entrusted Management by Huatai United Securities Co., Ltd. on the Progress of the Litigation Matters Involving by Subsidiaries of Shenwan Hongyuan Group Co., Ltd.	2022-11-29
183	Provisional Report on Entrusted Management by Chasing Securities Co., Ltd. on the Progress of the Litigation Matters Involving by Subsidiaries of Shenwan Hongyuan Group Co., Ltd.	2022-11-29
184	Announcement on Progress of the Litigation Involving a Subsidiary	2022-11-29
185	Comparison Table of Amendments to the Proceeds Management System of Shenwan Hongyuan Group Co., Ltd.	2022-12-06
186	Comparison Table of Amendments to the Rules of Procedure of the Board of Directors of Shenwan Hongyuan Group Co., Ltd.	2022-12-06
187	Rules of Procedure of the Board of Directors of Shenwan Hongyuan Group Co., Ltd. (Revised)	2022-12-06
188	Independent Opinions of Independent Directors	2022-12-06
189	Working Rules of the Strategy and ESG Committee of the Board of Directors of Shenwan Hongyuan Group Co., Ltd.	2022-12-06
190	Announcement on Resolutions of the Fourteenth Meeting of the Fifth Session of the Board of Directors	2022-12-06

No.	Announcement	Date of publication
191	Comparison Table of Amendments to the Working Rules of the Strategy Committee of the Board of Directors of Shenwan Hongyuan Group Co., Ltd.	2022-12-06
192	Proceeds Management System of Shenwan Hongyuan Group Co., Ltd. (Revised)	2022-12-06
193	Provisional Report on Entrusted Management by Huatai United Securities Co., Ltd. on the Progress of the Litigation Matters Involving by Subsidiaries of Shenwan Hongyuan Group Co., Ltd.	2022-12-08
194	Provisional Report on Entrusted Management by Chasing Securities Co., Ltd. on the Progress of the Litigation Matters Involving by Subsidiaries of Shenwan Hongyuan Group Co., Ltd.	2022-12-08
195	Announcement on Progress of the Litigation Involving a Subsidiary	2022-12-08
196	Materials for the 2022 Second Extraordinary General Meeting	2022-12-09
197	Notice on Convening the 2022 Second Extraordinary General Meeting	2022-12-09
198	Announcement on Repayment of Principal and Payment of Interest and Delisting of the Short-term Corporate Bonds (Third Tranche) (Type II) Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2021	2022-12-10
199	Provisional Report on Entrusted Management by Huatai United Securities Co., Ltd. on the Progress of the Litigation Matters Involving by Subsidiaries of Shenwan Hongyuan Group Co., Ltd.	2022-12-12
200	Provisional Report on Entrusted Management by Chasing Securities Co., Ltd. on the Progress of the Litigation Matters Involving by Subsidiaries of Shenwan Hongyuan Group Co., Ltd.	2022-12-12
201	Announcement on Progress of the Litigation Involving a Subsidiary	2022-12-12
202	Announcement on the Completion of Business Registration of the Asset Management Subsidiary of Shenwan Hongyuan Securities Co., Ltd.	2022-12-21
203	Announcement on Resolutions of the Fifteenth Meeting of the Fifth Session of the Board of Directors	2022-12-24
204	Investor Relations Management System of Shenwan Hongyuan Group Co., Ltd. (Revised)	2022-12-24
205	Independent Opinions of Independent Directors	2022-12-24
206	Announcement on Resignation of Director	2022-12-27
207	Legal Opinion of Beijing Alliance J&S Law Firm on the 2022 Second Extraordinary General Meeting of Shenwan Hongyuan Group Co., Ltd.	2022-12-30
208	Announcement on Resolutions of the 2022 Second Extraordinary General Meeting	2022-12-30
209	Announcement on Resolutions of the Sixteenth Meeting of the Fifth Session of the Board of Directors	2022-12-30

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.	Announcement	Date of publication
1	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended December 31, 2021	2022-01-05
2	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended January 31, 2022	2022-02-07
3	Announcement Made pursuant to the Rules 13.51B(2) and 13.51(2) of the Listing Rules	2022-02-14
4	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended February 28, 2022	2022-03-02
5	Date of Board Meeting	2022-03-16
6	2021 Corporate Social Responsibility Report/Environmental, Social and Governance Report	2022-03-30
7	Final Dividends for the Year Ended December 31, 2021	2022-03-30
8	Annual Results Announcement for the Year Ended December 31, 2021	2022-03-31
9	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended March 31, 2022	2022-04-01
10	Date of Board Meeting	2022-04-19
11	2021 Annual Report	2022-04-19
12	2022 First Quarterly Report	2022-04-29
13	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended April 30, 2022	2022-05-05
14	Final Dividends for the Year Ended December 31, 2021 (Updated)	2022-05-19
15	Circular of the 2021 Annual General Meeting	2022-05-19
16	Form of Proxy of Holders of H Shares for Use at the Annual General Meeting to be Held on June 10, 2022	2022-05-19
17	Notice of the 2021 Annual General Meeting	2022-05-19
18	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended May 31, 2022	2022-06-01
19	Final Dividends for the Year Ended December 31, 2021 (Updated)	2022-06-10
20	Poll Results of the 2021 Annual General Meeting and Payment of Cash Dividends	2022-06-10
21	2021 Corporate Annual Report	2022-06-16
22	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended June 30, 2022	2022-07-05
23	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended July 31, 2022	2022-08-02
24	Proposed Appointment of Executive Director	2022-08-05
25	Circular of the 2022 First Extraordinary General Meeting	2022-08-08
26	Form of Proxy of Holders of H Shares for Use at the 2022 First Extraordinary General Meeting or Any Adjournment Thereof to be Held on August 26, 2022	2022-08-08
27	Notice of the 2022 First Extraordinary General Meeting	2022-08-08
28	Date of Board Meeting	2022-08-17
29	List of Directors and Their Role and Function	2022-08-26
30	Poll Results of the 2022 First Extraordinary General Meeting; Change of Executive Director and Authorized Representative; Election of the Chairman of the Board of the Company and Adjustment to the Composition of the Special Committees of the Board	2022-08-26
31	Interim Results Announcement for the Six Months Ended June 30, 2022	2022-08-30
32	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended August 31, 2022	2022-09-01
33	2022 Interim Report	2022-09-15
34	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended September 30, 2022	2022-10-07
35	Date of Board Meeting	2022-10-18

No.	Announcement	Date of publication
36	2022 Third Quarterly Report	2022-10-28
37	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended October 31, 2022	2022-11-01
38	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended November 30, 2022	2022-12-02
39	Proposed Appointment of the Non-Executive Director and Change of Name of the Strategy Committee of the Board of Directors and Amendments to the Working Rules of the Committee	2022-12-05
40	Form of Proxy of Holders of H Shares for Use at the 2022 Second Extraordinary General Meeting or Any Adjournment thereof to be Held on December 29, 2022	2022-12-08
41	Notice of the 2022 Second Extraordinary General Meeting	2022-12-08
42	Circular of the 2022 Second Extraordinary General Meeting	2022-12-08
43	List of Directors and Their Role and Function	2022-12-27
44	Resignation of Non-executive Director	2022-12-27
45	Working Rules of the Strategy and ESG Committee of the Board of Directors	2022-12-29
46	List of Directors and Their Role and Function	2022-12-29
47	Poll Results of the 2022 Second Extraordinary General Meeting; Appointment of Non-executive Director and Adjustment to the Composition of the Special Committees of the Board	2022-12-29

XXIII. 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

Unit: ten thousand Yuan Currency: RMB

Name of bond	Abbreviation of bond	Bond code	Issuance date	Value date	Maturity date	Outstanding amount	Interest rate	Method of repayment of principal and interest	Trading place
Corporate Bonds Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. in 2017 (First Tranche) (Type II)	17 ShenZheng 02	136981	2017/2/17	2017/2/17	2024/2/17	50,000.00	4.50%		Shanghai Stock Exchange
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	2018/12/10	2023/12/10	150,000.00	4.08%	The interest of these bonds is calculated at simple interest on an annual basis instead of compound interest, and paid once a year. The principal will be repaid 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 (First Tranche) (Type II)	20 ShenZheng 06	149173	2020/7/27	2020/7/27	2023/7/27	410,000.00	3.49%		
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	2020/9/10	2023/9/10	320,000.00	3.76%		
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	2020/10/26	2023/10/26	570,000.00	3.68%		Shenzhen Stock Exchange
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (First Tranche) (Type I)	21 ShenZheng 01	149425	2021/4/29	2021/4/29	2024/4/29	250,000.00	3.45%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (First Tranche) (Type II)	21 ShenZheng 02	149431	2021/4/29	2021/4/29	2031/4/29	200,000.00	4.05%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Second Tranche)	21 ShenZheng 03	149479	2021/5/24	2021/5/24	2026/5/24	260,000.00	3.63%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Third Tranche) (Type I)	21 ShenZheng 04	149490	2021/5/28	2021/5/28	2024/5/28	200,000.00	3.27%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Third Tranche) (Type II)	21 ShenZheng 05	149491	2021/5/28	2021/5/28	2031/5/28	250,000.00	4.00%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Fourth Tranche) (Type I)	21 ShenZheng 06	149559	2021/7/21	2021/7/21	2024/7/21	200,000.00	3.13%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Fourth Tranche) (Type II)	21 ShenZheng 07	149560	2021/7/21	2021/7/21	2031/7/21	300,000.00	3.77%		

Name of bond	Abbreviation of bond	Bond code	Issuance date	Value date	Maturity date	Outstanding amount	Interest rate	Method of repayment of principal and interest	Trading place
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Fifth Tranche) (Type I)	21 ShenZheng 08	149574	2021/7/28	2021/7/28	2024/7/28	280,000.00	3.04%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Fifth Tranche) (Type II)	21 ShenZheng 09	149575	2021/7/28	2021/7/28	2026/7/28	420,000.00	3.38%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Sixth Tranche) (Type I)	21 ShenZheng 10	149614	2021/8/26	2021/8/26	2024/8/26	300,000.00	3.02%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Sixth Tranche) (Type II)	21 ShenZheng 11	149615	2021/8/26	2021/8/26	2031/8/26	300,000.00	3.75%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Seventh Tranche) (Type I)	21 ShenZheng 12	149626	2021/9/9	2021/9/9	2024/9/9	480,000.00	3.05%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Seventh Tranche) (Type II)	21 ShenZheng 13	149627	2021/9/9	2021/9/9	2026/9/9	100,000.00	3.40%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Eighth Tranche) (Type I)	21 ShenZheng 14	149595	2021/9/22	2021/9/22	2023/9/22	230,000.00	2.95%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Eighth Tranche) (Type II)	21 ShenZheng 15	149640	2021/9/22	2021/9/22	2024/9/22	230,000.00	3.10%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 (First Tranche) (Type I)	22 ShenZheng 01	149789	2022/1/21	2022/1/21	2025/1/21	500,000.00	2.80%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 (First Tranche) (Type II)	22 ShenZheng 02	149790	2022/1/21	2022/1/21	2032/1/21	240,000.00	3.60%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 (Second Tranche) (Type I)	22 ShenZheng 03	149809	2022/2/23	2022/2/23	2025/2/23	220,000.00	2.95%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 (Third Tranche) (Type I)	22 ShenZheng 05	149852	2022/3/24	2022/3/24	2025/3/24	350,000.00	3.18%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 (Third Tranche) (Type II)	22 ShenZheng 06	149853	2022/3/24	2022/3/24	2027/3/24	210,000.00	3.53%		

Name of bond	Abbreviation of bond	Bond code	Issuance date	Value date	Maturity date	Outstanding amount	Interest rate	Method of repayment of principal and interest	Trading place
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 (Fourth Tranche) (Type I)	22 ShenZheng 07	112904	2022/5/23	2022/5/23	2025/5/23	180,000.00	2.78%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 (Fourth Tranche) (Type II)	22 ShenZheng 08	149252	2022/5/23	2022/5/23	2027/5/23	220,000.00	3.20%		
Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (First Tranche)	21 ShenZheng C1	149360	2021/1/21	2021/1/21	2024/1/21	300,000.00	3.93%		
Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Second Tranche)	21 ShenZheng C2	149405	2021/3/11	2021/3/11	2024/3/11	380,000.00	3.94%		
Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Third Tranche) (Type I)	21 ShenZheng C3	149761	2021/12/27	2021/12/27	2023/12/27	180,000.00	3.08%		
Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Third Tranche) (Type II)	21 ShenZheng C4	149762	2021/12/27	2021/12/27	2024/12/27	120,000.00	3.20%		
Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 (First Tranche)	22 ShenZheng C1	149904	2022/4/27	2022/4/27	2025/4/27	300,000.00	3.19%		
Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (First Tranche) (Type I)	23 ShenZheng C1	148198	2023/3/6	2023/3/6	2025/3/6	140,000.00	3.35%		
Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (First Tranche) (Type II)	23 ShenZheng C2	148199	2023/3/6	2023/3/6	2026/3/6	130,000.00	3.55%		
Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Second Tranche)	23 ShenZheng C3	148223	2023/3/27	2023/3/27	2026/3/27	230,000.00	3.38%		
2020 Subordinated Bonds of Securities Company of Shenwan Hongyuan Securities Co., Ltd. (First Tranche) (Type II)	20 ShenZheng C2	115112	2020/4/23	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	2020/5/25	2023/5/25	600,000.00	3.25%		

Name of bond	Abbreviation of bond	Bond code	Issuance date	Value date	Maturity date	Outstanding amount	Interest rate	Method of repayment of principal and interest	Trading place
2021 Perpetual Subordinated Bonds Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. (First Tranche)	21 ShenZheng Y1	149529	2021/6/24	2021/6/24	The issuer is entitled to redeem the current bonds on basis of the nominal value plus interest payable (including all deferred interest payments and their yields) on the 5th and subsequent every interest paying date of the current bonds	200,000.00	4.10%	The interest of these bonds is calculated at simple interest on an annual basis, and paid once a year provided that the issuer does not exercise the right to defer interest payment	
2021 Perpetual Subordinated Bonds Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. (Second Tranche)	21 ShenZheng Y2	149605	2021/8/19	2021/8/19	The issuer is entitled to redeem the current bonds on basis of the nominal value plus interest payable (including all deferred interest payments and their yields) on the 5th and subsequent every interest paying date of the current bonds	330,000.00	3.70%		

Name of bond	Abbreviation of bond	Bond code	Issuance date	Value date	Maturity date	Outstanding amount	Interest rate	Method of repayment of principal and interest	Trading place
2021 Perpetual Subordinated Bonds Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. (Third Tranche)	21 ShenZheng Y3	149700	2021/11/15	2021/11/15	The issuer is entitled to redeem the current bonds on the basis of the nominal value plus interest payable (including all deferred interest payments and their yields) on the 5th and subsequent every interest paying date of the current bonds	470,000.00	3.88%		
Perpetual Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 (First Tranche)	22 ShenZheng Y1	148005	2022/7/27	2022/7/27	Every five interest-accruing years constitute a repricing period of the bond. At the end of each repricing period, the Company is entitled to extend such tranche of bonds by one repricing period (i.e. for another period of 5 years) or redeem such tranche of bonds in full	500,000.00	3.45%		

Name of bond	Abbreviation of bond	Bond code	Issuance date	Value date	Maturity date	Outstanding amount	Interest rate	Method of repayment of principal and interest	Trading place
Perpetual Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 (Second Tranche)	22 ShenZheng Y2	148040	2022/8/25	2022/8/25	Every five interest accruing years constitute a repricing period of the bond. At the end of each repricing period, the Company is entitled to extend such tranche of bonds by one repricing period (i.e. for another period of 5 years) or redeem such tranche of bonds in full	480,000.00	3.28%		
Investor eligibility arrangement	17 ShenZheng 02, 18 ShenZheng 03, 20 ShenZheng 06, 20 ShenZheng 08, 20 ShenZheng 10, 21 ShenZheng 01, 21 ShenZheng 02, 21 ShenZheng 03, 21 ShenZheng 04, 21 ShenZheng 05, 21 ShenZheng 06, 21 ShenZheng 07, 21 ShenZheng 08, 21 ShenZheng 09, 21 ShenZheng 10, 21 ShenZheng 11, 21 ShenZheng 12, 21 ShenZheng 13, 21 ShenZheng 14, 21 ShenZheng 15, 22 ShenZheng 01, 22 ShenZheng 02, 22 ShenZheng 03, 22 ShenZheng 05, 22 ShenZheng 06, 22 ShenZheng 07 and 22 ShenZheng 08 were issued to professional investors. 20 ShenZheng C2, 20 ShenZheng C3, 21 ShenZheng C1, 21 ShenZheng C2, 2t1 ShenZheng C3, 21 ShenZheng C4, 22 ShenZheng C1, 23 ShenZheng C1, 23 ShenZheng C2, 23 ShenZheng C3, 21 ShenZheng Y1, 21 ShenZheng Y2, 21 ShenZheng Y3, 22 ShenZheng Y1, and 22 ShenZheng Y2 were issued to professional institutional investors.								
Applicable trading mechanism	17 ShenZheng 02, 18 ShenZheng 03, 20 ShenZheng 06, 20 ShenZheng 08, 20 ShenZheng 10, 21 ShenZheng 01, 21 ShenZheng 02, 21 ShenZheng 03, 21 ShenZheng 04, 21 ShenZheng 05, 21 ShenZheng 06, 21 ShenZheng 07, 21 ShenZheng 08, 21 ShenZheng 09, 21 ShenZheng 10, 21 ShenZheng 11, 21 ShenZheng 12, 21 ShenZheng 13, 21 ShenZheng 14, 21 ShenZheng 15, 21 ShenZheng C1, 21 ShenZheng C2, 21 ShenZheng C3, 21 ShenZheng C4, 22 ShenZheng C1, 23 ShenZheng C1, 23 ShenZheng C2, 23 ShenZheng C3, 21 ShenZheng Y1, 21 ShenZheng Y2, 21 ShenZheng Y3, 22 ShenZheng 01, 22 ShenZheng 02, 22 ShenZheng 03, 22 ShenZheng 05, 22 ShenZheng 06, 22 ShenZheng 07, 22 ShenZheng 08, 22 ShenZheng Y1 and 22 ShenZheng Y2 were traded by 5 transaction methods including matching, one-click-order, price-enquiry, bidding or upon negotiation. 20 ShenZheng C2 and 20 ShenZheng C3 were traded by 4 transaction methods including one click-order, price-enquiry, bidding or upon negotiation.								
Whether there is risk of delisting (if any) and countermeasures therefor	N/A								

During the Reporting Period, Shenwan Hongyuan Securities had no outstanding overdue debts.

2. Issuer or investor option terms and triggering and implementation of investor protection terms

Shenwan Hongyuan Securities issued 21 ShenZheng Y1, 21 ShenZheng Y2 and 21 ShenZheng Y3 with a redemption option and an issuer redemption option upon satisfaction of certain conditions. No such options were triggered during the Reporting Period.

Shenwan Hongyuan Securities issued 22 ShenZheng Y1 and 22 ShenZheng Y2 with an issuer renewal option and an issuer redemption option upon satisfaction of certain conditions. No such options were triggered during the Reporting Period.

Shenwan Hongyuan Securities issued 17 ShenZheng 02, 18 ShenZheng 03, 20 ShenZheng 06, 20 ShenZheng 08, 20 ShenZheng 10, 21 ShenZheng 01, 21 ShenZheng 02, 21 ShenZheng 03, 21 ShenZheng 04, 21 ShenZheng 05, 21 ShenZheng 06, 21 ShenZheng 07, 21 ShenZheng 08, 21 ShenZheng 09, 21 ShenZheng 10, 21 ShenZheng 11, 21 ShenZheng 12, 21 ShenZheng 13, 21 ShenZheng 14, 21 ShenZheng 15, 22 ShenZheng 01, 22 ShenZheng 02, 22 ShenZheng 03, 22 ShenZheng 05, 22 ShenZheng 06, 22 ShenZheng 07, 22 ShenZheng 08, 21 ShenZheng C1, 21 ShenZheng C2, 21 ShenZheng C3, 21 ShenZheng C4, 22 ShenZheng C1, 23 ShenZheng C1, 23 ShenZheng C2 and 23 ShenZheng C3, with accelerated settlement clauses. There was no enforcement of the insured clauses were triggered during the Reporting Period.

3. Information of intermediaries

	Bond trustee				Credit rating agency(ies)		
Name of bond	Name	Office address	Contact person of intermediary	Telephone	Name	Office address	Signing accountants
17 ShenZheng 02 18 ShenZheng 03	Huatai United Securities Co., Ltd.	20/F, Block E, Poly Plaza, No. 18 Dongfang Road, Shanghai	Feng Yulan	021-38966558	Shanghai Brilliance Credit Rating & Investors Service Co., Ltd.	14/F, Huasheng Building, No. 398 Hankou Road, Shanghai	Wang Guobei, Ding Qixin Jin Naiwen, Yu Jingjing
20 ShenZheng 06 20 ShenZheng 08 20 ShenZheng 10 20 ShenZheng C2 20 ShenZheng C3	Guotai Junan Securities Co., Ltd.	36/F, Bohua Plaza, No. 669 Xinzha Road, Jing'an District, Shanghai	Cai Rui, Ge Xinyue, Xu Jiayu	021-38677556	China Lianhe Credit Rating Co., Ltd. N/A	10/F, PICC Building, No.2 Jianguomenwai Avenue, Chaoyang District, Beijing N/A	Jin Naiwen, Yu Jingjing
21 ShenZheng 01 21 ShenZheng 02 21 ShenZheng 03 21 ShenZheng 04 21 ShenZheng 05 21 ShenZheng 06 21 ShenZheng 07 21 ShenZheng 08 21 ShenZheng 09 21 ShenZheng 10 21 ShenZheng 11 21 ShenZheng 12 21 ShenZheng 13 21 ShenZheng 14 21 ShenZheng 15 22 ShenZheng 01 22 ShenZheng 02 22 ShenZheng 03 22 ShenZheng 05 22 ShenZheng 06	Guotai Junan Securities Co., Ltd.	33/F, Bohua Plaza, No. 669 Xinzha Road, Jing'an District, Shanghai	Luo Jing, Gao Xuefeng	021-38677930	China Lianhe Credit Rating Co., Ltd.	10/F, PICC Building, No.2 Jianguomenwai Avenue, Chaoyang District, Beijing	Jin Naiwen, Yu Jingjing, Liu Yejun
21 ShenZheng C1 21 ShenZheng C2 21 ShenZheng C3 21 ShenZheng C4							Jin Naiwen, Yu Jingjing Jin Naiwen, Yu Jingjing, Liu Yejun
21 ShenZheng Y1 21 ShenZheng Y2 21 ShenZheng Y3	Haitong Securities Co., Ltd.	35/F, No. 689 Guangdong Road, Shanghai	Huang Shan	021-23212351	China Lianhe Credit Rating Co., Ltd.	10/F, PICC Building, No.2 Jianguomenwai Avenue, Chaoyang District, Beijing	Jin Naiwen, Yu Jingjing, Liu Yejun

The accountant for above existing corporate bonds is KPMG Huazhen LLP.

Shenwan Hongyuan Securities' auditors for 2021 changed to PricewaterhouseCoopers Zhong Tian LLP. For bonds issued after the disclosure of Shenwan Hongyuan Securities' 2021 Annual Report, the signing accountants changed to KPMG Huazhen LLP and PricewaterhouseCoopers Zhong Tian LLP:

	Bond trustee				Credit rating agency(ies)		
Name of bond	Name	Office address	Contact person of intermediary	Telephone	Name	Office address	Signing accountants
22 ShenZheng 07 22 ShenZheng 08 22 ShenZheng C1 22 ShenZheng Y1 22 ShenZheng Y2 23 ShenZheng C1 23 ShenZheng C2 23 ShenZheng C3	Guotai Junan Securities Co., Ltd.	33/F, Bohua Plaza, No. 669 Xinzha Road, Jing'an District, Shanghai	Luo Jing, Gao Xuefeng	021-38677930	China Lianhe Credit Rating Co. Ltd.	10/F, PICC Building, No.2 Jianguomenwai Avenue, Chaoyang District, Beijing	KPMG Huazhen: Jin Naiwen, Yu Jingjing, Liu Yejun Pricewaterhouse Coopers: Yip Siu Foon, Linda, Shan Feng KPMG Huazhen: Jin Naiwen, Yu Jingjing Pricewaterhouse Coopers: Yip Siu Foon, Linda, Shan Feng

There were no changes in the above organizations during the Reporting Period.

4. Use of proceeds

Unit: Yuan Currency: RMB

Name of bond	Total proceeds	Amount used	Outstanding amount	Operation of special account for proceeds (if any)	Rectification of illegal use of proceeds (if any)	Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus
17 ShenZheng 02	500,000,000	500,000,000	0.00	Standard operation	Nil	Yes
18 ShenZheng 03	1,500,000,000	1,500,000,000	0.00	Standard operation	Nil	Yes
20 ShenZheng 06	4,100,000,000	4,100,000,000	0.00	Standard operation	Nil	Yes
20 ShenZheng 08	3,200,000,000	3,200,000,000	0.00	Standard operation	Nil	Yes
20 ShenZheng 10	5,700,000,000	5,700,000,000	0.00	Standard operation	Nil	Yes
21 ShenZheng 01	2,500,000,000	2,500,000,000	0.00	Standard operation	Nil	Yes
21 ShenZheng 02	2,000,000,000	2,000,000,000	0.00	Standard operation	Nil	Yes
21 ShenZheng 03	2,600,000,000	2,600,000,000	0.00	Standard operation	Nil	Yes
21 ShenZheng 04	2,000,000,000	2,000,000,000	0.00	Standard operation	Nil	Yes
21 ShenZheng 05	2,500,000,000	2,500,000,000	0.00	Standard operation	Nil	Yes
21 ShenZheng 06	2,000,000,000	2,000,000,000	0.00	Standard operation	Nil	Yes
21 ShenZheng 07	3,000,000,000	3,000,000,000	0.00	Standard operation	Nil	Yes
21 ShenZheng 08	2,800,000,000	2,800,000,000	0.00	Standard operation	Nil	Yes
21 ShenZheng 09	4,200,000,000	4,200,000,000	0.00	Standard operation	Nil	Yes
21 ShenZheng 10	3,000,000,000	3,000,000,000	0.00	Standard operation	Nil	Yes

Name of bond	Total proceeds	Amount used	Outstanding amount	Operation of special account for proceeds (if any)	Rectification of illegal use of proceeds (if any)	Whether the use of proceeds is consistent with the use of proceeds committed, the planned use and other agreements in the prospectus
21 ShenZheng 11	3,000,000,000	3,000,000,000	0.00	Standard operation	Nil	Yes
21 ShenZheng 12	4,800,000,000	4,800,000,000	0.00	Standard operation	Nil	Yes
21 ShenZheng 13	1,000,000,000	1,000,000,000	0.00	Standard operation	Nil	Yes
21 ShenZheng 14	2,300,000,000	2,300,000,000	0.00	Standard operation	Nil	Yes
21 ShenZheng 15	2,300,000,000	2,300,000,000	0.00	Standard operation	Nil	Yes
22 ShenZheng 01	5,000,000,000	5,000,000,000	0.00	Standard operation	Nil	Yes
22 ShenZheng 02	2,400,000,000	2,400,000,000	0.00	Standard operation	Nil	Yes
22 ShenZheng 03	2,200,000,000	2,200,000,000	0.00	Standard operation	Nil	Yes
22 ShenZheng 05	3,500,000,000	3,500,000,000	0.00	Standard operation	Nil	Yes
22 ShenZheng 06	2,100,000,000	2,100,000,000	0.00	Standard operation	Nil	Yes
22 ShenZheng 07	1,800,000,000	1,800,000,000	0.00	Standard operation	Nil	Yes
22 ShenZheng 08	2,200,000,000	2,200,000,000	0.00	Standard operation	Nil	Yes
21 ShenZheng C1	3,000,000,000	3,000,000,000	0.00	Standard operation	Nil	Yes
21 ShenZheng C2	3,800,000,000	3,800,000,000	0.00	Standard operation	Nil	Yes
21 ShenZheng C3	1,800,000,000	1,800,000,000	0.00	Standard operation	Nil	Yes
21 ShenZheng C4	1,200,000,000	1,200,000,000	0.00	Standard operation	Nil	Yes
22 ShenZheng C1	3,000,000,000	3,000,000,000	0.00	Standard operation	Nil	Yes
23 ShenZheng C1	1,400,000,000	N/A	N/A	Standard operation	Nil	Yes
23 ShenZheng C2	1,300,000,000	N/A	N/A	Standard operation	Nil	Yes
23 ShenZheng C3	2,300,000,000	N/A	N/A	Standard operation	Nil	Yes
21 ShenZheng Y1	2,000,000,000	2,000,000,000	0.00	Standard operation	Nil	Yes
21 ShenZheng Y2	3,300,000,000	3,300,000,000	0.00	Standard operation	Nil	Yes
21 ShenZheng Y3	4,700,000,000	4,700,000,000	0.00	Standard operation	Nil	Yes
22 ShenZheng Y1	5,000,000,000	5,000,000,000	0.00	Standard operation	Nil	Yes
22 ShenZheng Y2	4,800,000,000	4,800,000,000	0.00	Standard operation	Nil	Yes
20 ShenZheng C2	6,000,000,000	6,000,000,000	0.00	Standard operation	Nil	Yes
20 ShenZheng C3	6,000,000,000	6,000,000,000	0.00	Standard operation	Nil	Yes

Change of use of proceeds from the above bonds during the Reporting Period

Not applicable

5. Adjustments to credit rating results during the Reporting Period

Not applicable

6. Guarantee, credit enhancement mechanism, debt repayment plan and other debt repayment safeguard measures for corporate bonds

There was no guarantee for the issuance of corporate bonds by Shenwan Hongyuan Securities. During the Reporting Period, there was no credit enhancement mechanism for the issued bonds and the repayment plan and other repayment safeguard measures for the issued bonds of Shenwan Hongyuan Securities were consistent with the relevant commitments in the prospectus without major changes. Shenwan Hongyuan Securities 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. Shenwan Hongyuan Securities 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.

7. Other information

During the Reporting Period, Shenwan Hongyuan Securities did not issue enterprise bonds, non-financial enterprise bond financing instruments, or convertible corporate bonds; did not record loss within the scope of consolidated statements exceeding 10% of the net assets as at the end of last year; and did not have any overdue debts; no interest-bearing bonds other than bonds were overdue; there was no violation of laws and regulations, the articles of association, the provisions of the information disclosure management system, and the stipulations or commitments in the prospectus of bonds.

(II) Related Regulatory Measures

During the Reporting Period, directors, supervisors and senior management of Shenwan Hongyuan Securities were not subject to administrative punishments or public censures by securities and futures regulators and relevant self-regulatory organizations, or punishment by finance, taxation, foreign exchange and audit authorities.

1. In April 2022, Shenwan Hongyuan Securities Co., Ltd. was ordered by the Shanghai Branch of CSRC to increase the number of compliance inspections

On 24 April 2022, the Shanghai Branch of CSRC issued the "Decision on the Order to Increase the Number of Compliance Inspections to Shenwan Hongyuan Securities Co., Ltd." to Shenwan Hongyuan Securities Co., Ltd., with the main contents as follows: when the company and Ant Wealth (Shanghai) Financial Information Services Co., Ltd. cooperated in carrying out the online investment advisory business, it failed to conduct appropriateness management independently, fully understand the information on investors, or obtain the address, occupation, financial status, investment experience, integrity records, etc. of customers, the operation of relevant information system was not under its control, and it failed to save local records of customer information, appropriateness management, relevant service records, etc. Relevant personnel assumed leadership or direct responsibility for the above problems.

For the aforementioned problems, the company has terminated the online investment advisory services agreement with all of its existing customers, and has contacted Ant Wealth to obtain and store the relevant data of all existing customers, terminated the cooperation with Ant Wealth in respect of online investment advisory business, and proactively cooperated with Ant Wealth in the work in relation to terminating cooperation.

2. **In July 2022, Shenwan Hongyuan Financing Services Co., Ltd. was ordered to submit a written undertaking by NEEQ Company**

On July 8, 2022, NEEQ Company issued the "Notice of Self-Disciplinary Supervision Measures on the Submission of Written Undertakings by Shenwan Hongyuan Financing Services Co., Ltd." to Shenwan Hongyuan Financing Services Co., Ltd., with the main contents as follows: Shenwan Hongyuan Financing Services has excessive repurchased the over-allotted shares in the issuance and underwriting of the "Chaneng Power (870299)" project.

For the aforementioned problems, Shenwan Hongyuan Financing Services Co., Ltd. submitted the "Undertaking by Shenwan Hongyuan Financing Services Co., Ltd. on the Accurate Exercise of the Over-allotment Option by Competitive Trading Method" to NEEQ Company on time. It also formulated the "Implementation Rules for Securities Trading of Shenwan Hongyuan Financing Services Co., Ltd.", clarified the procedures for pre-checking the operation of the system for securities trading, reviewing the transactions by two persons during the process, and auditing the flow of funds afterwards; and clarified that if the over-allotment option is exercised in the form of securities auction trading, the maximum number of shares to be purchased on a daily basis shall be proposed, and the cumulative number of shares to be purchased on a daily basis shall not exceed the upper limit of the planned number of shares to be purchased on that day.

3. **In September 2022, Shenwan Futures Co., Ltd. was imposed a regulatory measure by the Shanghai Branch of CSRC to make corrections**

On September 21, 2022, the Shanghai Branch of CSRC issued the "Decision on Regulatory Measure to Make Corrections to Shenwan Futures Co., Ltd." to Shenwan Futures Co., Ltd., with the main contents as follows: Shenwan Futures failed to effectively prevent and control risks in accordance with prudent operating principles in its operation of certain asset management plans.

For the aforementioned problems, Shenwan Futures Co., Ltd. sold the relevant bonds invested under the abovementioned asset management plans or reduced the leverage of the products to unleveraged products; conducted a comprehensive investigation of existing asset management products and sold the relevant bonds or reduced the leverage of the relevant products to unleveraged products as soon as possible if the problems pointed out in the letter were found; further improved the internal evaluation mechanism of the products; and strengthened the due diligence and examination and evaluation of the final principals and bond issuers of the products to prevent the occurrence of similar compliance risks.

4. **In September 2022, Shenwan Hongyuan Financing Services Co., Ltd. received a regulatory warning from Shanghai Stock Exchange**

On September 30, 2022, Shanghai Stock Exchange issued the "Decision on the Issuance of Regulatory Warning to Shenwan Hongyuan Financing Services Co., Ltd." to Shenwan Hongyuan Financing Services Co., Ltd., with the main contents as follows: on September 26, 2022, in the process of exercising the over-allotment option to purchase the shares of CITIC Mobile, Shenwan Hongyuan Financing Services (as the leading underwriter of CICT Mobile Communication Technology Co., Ltd.) failed to make the purchase authority reporting in accordance with the best price method stipulated by the business rules of Shanghai Stock Exchange, its internal control system was not properly implemented, its technical system and other business preparations were not adequate, and there were deficiencies in the performance of its duties and responsibilities.

For the aforementioned problems, Shenwan Hongyuan Financing Services Co., Ltd. has applied to the IT department for opening the best price bid reporting authority in the first instance after receiving the telephone notification from the Shanghai Stock Exchange on September 26. Since September 27, the over-allotment options have been implemented in accordance with the best price reporting method stipulated by the regulations. It also checked its system authority settings against internal and external regulations to avoid the recurrence of similar incidents.

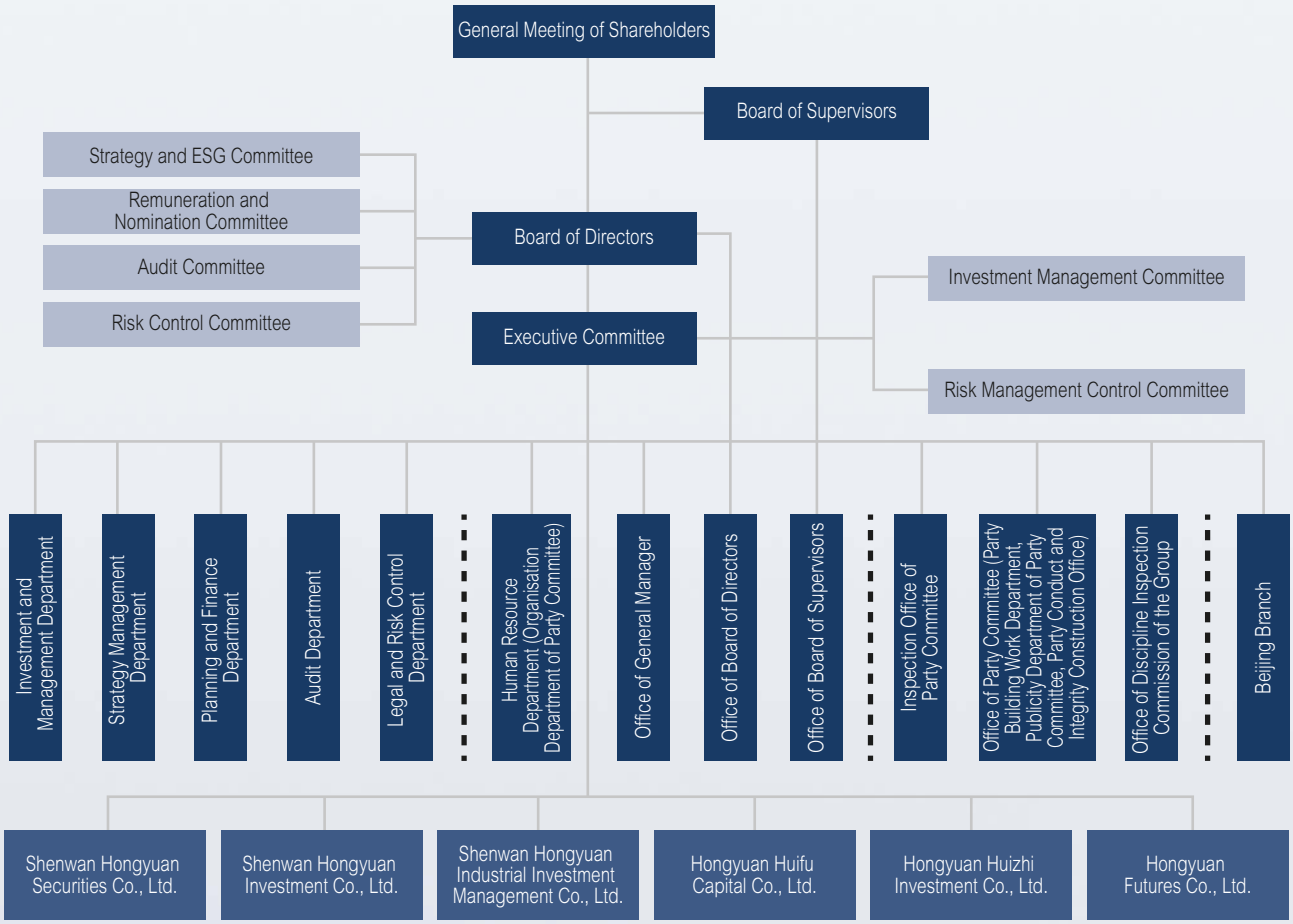
5. **In November 2022, SWS MU (Shanghai) Asset Management Co., Ltd. received a warning letter from the Shanghai Branch of CSRC**

On November 25, 2022, the Shanghai Branch of the CSRC issued the "Decision on the Issuance of Warning Letter to SWS MU (Shanghai) Asset Management Co., Ltd." to SWS MU (Shanghai) Asset Management Co., Ltd., with the main contents as follows: in the course of carrying out private asset management business, SWS MU (Shanghai) Asset Management Co., Ltd. and its relevant employees failed to perform active management duties, used private asset management plans to provide channel services for other institutions to circumvent regulatory requirements, and failed to conduct necessary due diligence on counterparties and investment targets of some private asset management plans, etc.

The asset management plan referred to in the letter was established on March 31, 2021. SWS MU (Shanghai) Asset Management Co., Ltd. has terminated the asset management plan on March 31, 2022, and all assets held under the asset management plan have been returned to the principal in their original state. SWS MU (Shanghai) Asset Management Co., Ltd. has suspended the new private asset management business with non-underlying assets as the subject of investment and will carry out relevant work in strict accordance with the regulatory requirements to ensure compliance with the regulatory requirements in the subsequent development of the business.

XXIV. ORGANISATION OF THE COMPANY

(I) Organisation chart of the Company



(II) Major subsidiaries of the Company

No.	Name of subsidiary	Registered address	Time of establishment	Registered capital	Shareholding	Principal	Telephone
1	Shenwan Hongyuan Securities Co., Ltd.	45/F, No. 989 Changle Road, Xuhui District, Shanghai	January 16, 2015	RMB53.5 billion	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 Futures Co., Ltd.	7/F, 8/F 10/F & Room 3401, No. 800 Dongfang Road, China (Shanghai) Pilot Free Trade Zone	January 7, 1993	RMB1,442 million	97.8680%	Li Jianzhong	021-50588811
8	SWS MU Fund Management Co., Ltd.	11/F, No. 100 Zhongshan South Road, Huangpu District, Shanghai	January 15, 2004	RMB150 million	67%	Chen Xiaosheng	021-23261188
9	Shenyin & Wanguo Investment Co., Ltd.	Room 503-509, 5/F (6/F nominal floor), No. 989, Changle Road, Xuhui District, Shanghai	April 9, 2009	RMB1 billion	100%	Xia Tao	021-60581102
10	SWS Research Co., Ltd.	3/F, No. 99 Nanjing East Road, Huangpu District, Shangha	October 16, 1992	RMB20 million	90%	Zhou Haichen	021-23297446
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	RMB2.5 billion	100%	Dai Jiaming	021-61820675

No.	Name of subsidiary	Registered address	Time of establishment	Registered capital	Shareholding	Principal	Telephone
12	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	021-33389988
13	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	RMB5.7 billion	100%	Wang Xianjun	0991-2307533
14	Shenwan Hongyuan (International) Holdings Limited	4/F Three Pacific Place, 1 Queen's Road East, Hong Kong	October 29, 1992	HK$4,071 million	100%	Wu Meng	852-25098333

Note: The information in the above table is the information as of December 31, 2022. During the Reporting Period, Shenwan Hongyuan Securities received the Approval for the Establishment of Asset Management Subsidiary by Shenwan Hongyuan Securities Co., Ltd. (Zheng Jian Xu Ke [2022] No. 2615). According to the approval, the CSRC approved the establishment of Shenwan Hongyuan Securities Asset Management Co., Ltd. (申萬宏源證券資產管理有限公司) by Shenwan Hongyuan Securities to engage in securities asset management business. On December 20, 2022, Shenwan Hongyuan Securities Asset Management Co., Ltd. (申萬宏源證券資產管理有限公司) obtained the Business License for Enterprise Legal Person issued by Shanghai Administration for Industry and Commerce.

(III) Branch company of the Company

Name	Address	Time of establishment	Principal	Telephone
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, 2022, the company and its securities subsidiaries have established 54 branch companies and 297 securities branches, located in 125 cities in 21 provinces, 4 municipalities and 4 autonomous regions, including 61 securities branches in Shanghai, 236 securities branches beyond Shanghai.

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	20.54	Shanghai (61)
Xinjiang Uygur Autonomous Region	/	42	14.14	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), Hetian (1), Horgos (1), Alar (1)
Jiangsu Province	6	29	9.76	Nanjing (4), Yancheng (10), Nantong (3), Jiangyin (1), Yixing (2), Zhenjiang (1), Jurong (1), Suzhou (1), Yangzhou (1), Jingjiang (1), Taixing (1), Huaian (1), Zhangjiagang (1), Xuzhou (1)
Zhejiang Province	5	27	9.09	Hangzhou (8), Jinhua (1), Quzhou (1), Tongxiang (2), Jiashan (1), Changshan (1), Huzhou (1), Yiwu (1), Taizhou (2), Shaoxing (1), Lishui (1), Wenzhou (1), Ruian (1), Yongjia (1), Yueqing (1), Ningbo (3)
Guangdong Province	6	20	6.73	Guangzhou (7), Maoming (1), Zhongshan (1), Zhanjiang (1), Shenzhen (10)
Sichuan Province	1	15	5.05	Chengdu (9), Guanghan (1), Meishan (2), Luzhou (2), Ya'an (1)
Hubei Province	1	14	4.71	Wuhan (8), Huangshi (1), Huanggang Xishui (1), Xiangyang (2), Yichang (2)
Liaoning Province	2	11	3.70	Shenyang (5), Benxi (1), Anshan (1), Dalian (4)

Province/ municipality/ autonomous region	Number of branch companies	Number of securities branches	Percentage in total number of securities branches (%)	Distribution of securities branches
Guangxi Zhuang Autonomous Region	1	7	2.36	Nanning (2), Guilin (1), Liuzhou (1), Qinzhou (1), Guigang (1), Hezhou (1)
Jiangxi Province	2	7	2.36	Nanchang (4), Shangrao (2), Ganzhou (1)
Fujian Province	3	6	2.02	Fuzhou (2), Putian (1), Shishi (1), Xiamen (2)
Chongqing	1	7	2.36	Chongqing (7)
Hunan Province	1	7	2.36	Changsha (4), Xiangtan (1), Zhuzhou (1) Yiyang (1)
Beijing	3	6	2.02	Beijing (6)
Shandong Province	3	7	2.36	Jinan (2), Linyi (1), Zibo (1), Weifang (1), Qingdao (1), Laixi (1)
Tianjin	1	4	1.35	Tianjin (4)
Anhui Province	2	4	1.35	Hefei (2), Huangshan (1), Huainan (1)
Jilin Province	1	2	0.67	Changchun (1), Jilin (1)
Henan Province	1	3	1.01	Zhengzhou (2), Nanyang (1)
Hebei Province	1	3	1.01	Tangshan (1), Shijiazhuang (1), Baoding (1)
Hainan Province	1	3	1.01	Haikou (2), Yangpu (1)
Heilongjiang Province	1	2	0.67	Harbin (2)
Guizhou Province	1	2	0.67	Guiyang (1), Zunyi (1)
Shanxi Province	1	1	0.34	Taiyuan (1)
Inner Mongolia Autonomous Region	1	1	0.34	Hohhot (1)
Yunnan Province	1	2	0.67	Kunming (1), Qujing (1)
Shaanxi Province	1	2	0.67	Xi'an (2)
Gansu Province	1	1	0.34	Lanzhou (1)
Ningxia Hui Autonomous Region	1	1	0.34	Yinchuan (1)
Total	**54**	**297**	**100**	**125**

In addition, as of December 31, 2022, 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 Beijing, Zhejiang, Shanghai, Jiangsu, Shenzhen, Sichuan and Henan, respectively and 21 securities branches in 18 cities.

2. Basic information of securities branches

Name	Registered address	Time of establishment	Principal	Telephone
Shanghai Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 2701-10, No. 99 Huangpu Road, Hongkou District, Shanghai	August 18, 2009	Yang Guibao	021-56558512
Shanghai No. 2 Branch of Shenwan Hongyuan Securities Co., Ltd.	Unit 11, 33/F, No. 989 Changle Road, Xuhui District, Shanghai	September 29, 2013	Zhao Mingwei	021-33388738
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	Guo Chun	021-68865565
Jiangsu Branch of Shenwan Hongyuan Securities Co., Ltd.	5/F and 7/F, No. 27 and 29 Huaqiao Road, Gulou District, Nanjing City, Jiangsu Province	July 10, 2009	Shen Jianfeng	025-84763798
Suzhou Branch of Shenwan Hongyuan Securities Co., Ltd.	Units 2001/02/03/04, 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
Yangzhou Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 758 Yangtze River Middle Road, Yangzhou City, Jiangsu Province	August 1, 1997	Jin Xudong	0514-87891800
Nantong Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 0101, 0102 and 0301, Haitian Building, No. 43 Qingnian Middle Road, Nantong City, Jiangsu Province	January 6, 2021	Chen Jian	0513-89011868
Wuxi Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 24 Qingyang Road, Wuxi City, Jiangsu Province	August 22, 1997	Shao Zheng	0510-82856988
Changzhou Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 111, 112, 113 and 201, Longjin Building, Sanjing Street, Xinbei District, Changzhou City, Jiangsu Province	August 8, 2022	Zhou Jianfeng	13585358810
Zhejiang Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 2301-1, Building 2, Ping An Financial Center, Shangcheng District, Hangzhou City, Zhejiang Province	June 29, 2009	Zhu Liyan	0571-85060158
Wenzhou Branch of Shenwan Hongyuan Securities Co., Ltd.	1 & 2/F, Blocks 1 & 2, Jinglong Building, No. 543 Chezhan Avenue, Wenzhou City, Zhejiang Province	December 27, 2012	Qu Bingjian	0577-88250798
Ningbo Branch of Shenwan Hongyuan Securities Co., Ltd.	14/F, Building 8, No. 1 Yongjiang Avenue, Jiangdong District, Ningbo City, Zhejiang Province	May 29, 1997	Liu Weijia	0574-87295041
Taizhou Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 1601, Building 1, Kaitou Financial Building, No. 877 Shifu Avenue, Baiyun Sub-district, Jiaojiang District, Taizhou City, Zhejiang Province	December 30, 2020	Cao Yonghui	0576-88500191
Jiaxing 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
Beijing Branch of Shenwan Hongyuan Securities Co., Ltd.	1-18-01 to 1-18-06, 5/F, Building 1, No. A43 Xizhimen North Street, Haidian District, Beijing	July 17, 2009	Zhan Lineng	010-82290986
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
Sichuan Branch of Shenwan Hongyuan Securities Co., Ltd.	1/F, 4/F, 6/F and 8/F, Building 3, No. 2 Huaishu Street, Qingyang District, Chengdu City, Sichuan Province	June 30, 2009	Tang Jiantao	028-86261519

Name	Registered address	Time of establishment	Principal	Telephone
Hubei Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, Building 7, Kaile Garden, No. 46, Lane 5, Wuluo Road, Wuchang District, Wuhan City, Hubei Province	June 29, 2009	Zhao Jiejun	027-88850926
Liaoning Branch of Shenwan Hongyuan Securities Co., Ltd.	25/F, Block B, Shenyang Fortune Center, No. 53 North Station Road, Shenhe District, Shenyang City, Liaoning Province	June 29, 2009	Wang Peng	024-22536058
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 8/F, Xinxing International Center, No. 20 Yide Street, Zhongshan District, Dalian City, Liaoning Province	January 25, 2013	Xia Juan	0411-82802781
Heilongjiang Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 309, Small 3rd Floor, Room 416, Poly Science and Technology Building, No. 93 Zhongshan Road, Xiangfang District, Harbin City, Heilongjiang Province	May 23, 1997	Sheng Junming	0451-82261108
Guangdong Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 5803B-5804, No. 15 Zhujiang West Road, Tianhe District, Guangzhou	February 25, 2014	Che Zuobin	020-38998280
Shenzhen Branch of Shenwan Hongyuan Securities Co., Ltd.	Units A01, A02, A03 and A04, 19/F, Anlian Building, No. 4018 Jintian Road, Fuzhong Community, Lianhua Sub-district, Futian District, Shenzhen City, Guangdong Province	July 2, 2009	Xu Yewei	0755-83206086
Zhuhai Branch of Shenwan Hongyuan Securities Co., Ltd.	Office Building, Rooms A and B, 11/F and 12/F, Guangdong Hotel Phase II, No. 1145 Yuehai East Road, Gongbei, Zhuhai City, Guangdong Province	June 3, 2021	Wang Weiping	0756-8873060
Dongguan Branch of Shenwan Hongyuan Securities Co., Ltd.	01, Room 2601, Unit 2, Building 4, No. 200 Hongfu Road, Nancheng Subdistrict, Dongguan City, Guangdong Province	May 13, 2014	Mao Zengqing	18681040503
Foshan Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 1202-1203, Department 1201, Bulding 2, Block 10, Vanke Golden Land International Garden, No. 23 Guilan Middle Road, Guicheng Street, Nanhai District, Foshan City, Guangdong Province	April 28, 2001	Gui Yang	0757-83036501
Guangxi Branch of Shenwan Hongyuan Securities Co., Ltd.	Shops A201 and A202, Peninsula Mong Kok, No. 56 Yinghua Road, Nanning City, Guangxi	November 7, 2013	Qi Shiqun	0771-5772397
Chongqing Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 9-1, 9-2, 9-3, 9-5 and 9-10, No. 2 Qingyun Road, Jiangbei District, Chongqing	June 30, 2009	Yin Yongjun	023-67851058
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
Jiangxi Branch of Shenwan Hongyuan Securities Co., Ltd.	4/F, Building B, No. 12 Zhongshan West Road, Xihu District, Nanchang City, Jiangxi Province	February 10, 2014	Wu Minhui	0791-86210888
Jiujiang Branch of Shenwan Hongyuan Securities Co., Ltd.	4/F, RT-Mart, No. 53 Jiurui Avenue, Jiujiang Economic and Technological Development Zone, Jiujiang City, Jiangxi Province	April 27, 2000	Cai Jie	0792-8118499

Name	Registered address	Time of establishment	Principal	Telephone
Hunan Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 2802-2806, 28/F, Block C, Kailin Business Center, No. 53 Binjiang Road, Yuelu District, Changsha City, Hunan Province	March 17, 2014	Ma Rijun	0731-82203680
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
Wuhu Branch of Shenwan Hongyuan Securities Co., Ltd.	Building 3, Renmin Road Group, Jinghu District, Wuhu City, Anhui Province (4F and a portion of 1/F, No. 29 Wenhua Road)	March 21, 2011	Zhang Yixuan	0553-3800166
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
Hainan Branch of Shenwan Hongyuan Securities Co., Ltd.	Huaxin Building, Longkun South Road, Haikou City, Hainan Province	August 20, 1993	Shi Yan	0898-66763964
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, Henan Province	September 21, 2009	Huang Yuqi	0371-86100888
Shanxi Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 1001, 1-2/F, Building 3, No. 125 Qinxian North Street, Xiaodian District, Taiyuan City, Shanxi Province	September 5, 2001	Zhao Bing	0351-4191801
Shandong Branch of Shenwan Hongyuan Securities Co., Ltd.	7/F, News Building, No. 6 Luoyuan Street, Lixia District, Jinan City, Shandong Province	July 18, 2016	Qin Kaiyu	0531-55639877
Qingdao Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms BCDEF, Mezzanine A, No. 2 Shandong Road, Shinan District, Qingdao City, Shandong Province	March 12, 1994	Li Zhaojia	0532-82964915
Yantai 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
Fujian Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 01 and 02-2, 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
Xiamen Branch of Shenwan Hongyuan Securities Co., Ltd.	1 & 2/F, Block A, Jinbang Building, No. 842 Xiahe Road, Siming District, Xiamen City, Fujian Province	February 3, 1997	Chen Yuxiao	0592-5852516
Quanzhou Branch of Shenwan Hongyuan Securities Co., Ltd.	3A1, 3B1, 3B2 and 3B3, 3/F, Qianyi Building, No. 671 Tian'an South Road, Yingjin Community, Fengze Street, Fengze District, Quanzhou City, Fujian Province	October 23, 2012	Shi Yanghao	0595-22252089

Name	Registered address	Time of establishment	Principal	Telephone
Yunnan Branch of Shenwan Hongyuan Securities Co., Ltd.	Units OTI-1101, OT1-1102, and OT1-1110, Office Building of Kunming Henglong Plaza, No. 23 Dongfeng East Road, Panlong District, Kunming City, Yunnan Province	May 26, 2004	Tao Jianping	0871-63627709
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	Li Zhenzi	0311-89250901
Guizhou Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 1, 2, 3, 4, 5, 20, 21, 22, 23, 24, 25, 26 and 27, 7/F, Buildings E-03 and F-01, Media·Lincheng Era, No. 8, Changling North Road, Guanshanhu District, Guiyang City, Guizhou Province	September 8, 2009	Tian Zhigang	0851-86966145
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
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
Gansu Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	15/F, Zhicheng Capital Office Building, No. 122 Gannan Road, Chengguan District, Lanzhou City, Gansu Province	February 25, 2014	Zhang Haiqun	0931-8870422
Ningxia Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Business Room 23, Comprehensive Building 25, Golf Garden, Minzu North Street Xingqing District, Yinchuan City, Ningxia Hui Autonomous Region	March 2, 2011	Zhang Jiao	0951-5121886
Shanghai Branch of Shenwan Hongyuan Financing Services Co., Ltd.	11/F, No. 989 Changle Road, Xuhui District, Shangha	March 13, 2015	Tao Xiansheng	021-33388898
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
Shenzhen Branch of Shenwan Hongyuan Financing Services Co., Ltd.	29A01-02, Anlian Building, No. 4018 Jintian Road, Fuzhong Community, Lianhua Sub-district, Futian District, Shenzhen, Guangdong Province	March 20, 2015	Wang Mingxi	010-88085786

Note: The information in the above table is the information as of December 31, 2022.

3. Basic information of securities branches

No.	Name	Registered 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, Shangha	August 19, 1992	Hao Hongyan	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
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-No. 96 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.	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.	2/F, No. 1285 Lujiabang Road, Huangpu District, Shanghai	July 17, 1992	Han Bin	021-63457788

No.	Name	Registered 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	Zhang Shunjie	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	Shen Qijun	021-63863588
16	Shanghai Huangpu District Zhonghua Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Ground Floor, No. 1158 Zhonghua Road, Huangpu District, 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.	Room 101 on 1/F, 2/F and 3/F, No. 279 Mengshan Road, Jinshan District, Shanghai	May 18, 1994	Chu Kaihong	021-57943555
22	Shanghai Jing'an District Changhua Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1/F and Room 201, 2/F, 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 Beijing West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 206-213, 2/F, No. 1465 Beijing West Road, Jing'an District, Shanghai	July 25, 1992	Li Yu	021-62662844
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	Huang Wei	021-60712583
26	Shanghai Putuo District Lanxi Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 135 Lanxi Road, Putuo District, Shanghai	August 21, 1992	Chen Bin	021-62862128

No.	Name	Registered address	Time of establishment	Principal	Telephone
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	Chen Xiaoying	021-50110133
29	Shanghai Pudong New District Jinghai Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F No. 500 & 502 Jinghai Road, Huinan Town, Pudong New District, Shanghai	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
31	Shanghai Pudong New District Dongfang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 405-408, No. 1870 Dongfang Road, Pudong New District, Shanghai	October 12, 1993	Jin Tao	021-58751371
32	Shanghai Pudong New District Guanyue West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 201-203, 205-207, 210, No. 1-2 and 5, Lanes 100, 102, 112, 130 and 136 Yue West Road, Pudong New District, Shanghai	May 29, 1995	Zhu Yubin	021-68113113
33	Shanghai Pudong New District Shangcheng Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 335 Yuanshen Road and Unit 103-1, Unit 209 and Unit 210-3, No. 1418 Shangcheng Road, China (Shanghai) Pilot Free Trade Zone	December 6, 1991	Liu Yin	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	Chen Zhaozhao	021-58899797
35	Shanghai Pudong New District Miaojing Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	3/F and Zone A, 2/F, 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 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	Chen Gang	021-50817033
38	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	Registered address	Time of establishment	Principal	Telephone
39	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
40	Shanghai Qingpu District Gongyuan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1-2/F, No. 232, Gongyuan Road, Qingpu District, Shanghai	April 5, 1993	Wu Yubo	021-69713385
41	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
42	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	Deng Jin	021-64840388
43	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	Chang Songlin	021-64836517
44	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
45	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
46	Shanghai Xuhui District Kaixuan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 301A, No. 3131 Kaixuan Road, Xuhui District, Shanghai	December 30, 1992	Yu Jiayong	021-64848907
47	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
48	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
49	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	Ma Jun	021-65127789
50	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	Wang Peiwen	021-56773397
51	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	Lv Bocheng	021-63062065

No.	Name	Registered address	Time of establishment	Principal	Telephone
52	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
53	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
54	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	Shen Xumin	021-36030948
55	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
56	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
57	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	Dai Ying	021-52211621
58	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	Guo Hao	021-54780088
59	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
60	Shanghai Minhang District Shensong Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1/F-1 and 2/F, No. 235 Shensong Road, Minhang District, Shanghai	December 4, 1992	Chen Jianming	021-64985122
61	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
62	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, Huai'an City, Jiangsu Province	August 8, 2012	Ding Boru	0517-83800702
63	Jingjiang Renmin Middle Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 136 Renmin Middle Road, Jingjiang City, Jiangsu Province	April 17, 1997	Zhu Laizhang	0523-84961888
64	Jurong Huarong East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Axis 1-16, 2/F west side, Kaiyuan Commercial Building, No. 18 Huayang East Road, Huayang Town, Jurong City, Jiangsu Province	June 11, 2001	Xiang Guangsheng	0511-85171166

No.	Name	Registered address	Time of establishment	Principal	Telephone
65	Nanjing Shengli Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 76-3, Shengli Road, Moling Street, Jiangning District, Nanjing City, Jiangsu Province (Jiangning Development Zone)	January 21, 2008	Li Mengya	025-85201127
66	Nanjing Huaqiao Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 101, 1/F and 6/F, No. 27 and 29 Huaqiao Road, Gulou District, Nanjing City, Jiangsu Province	November 20, 1997	Jiang Ping	025-84763796
67	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	Xu Jun	025-58884790
68	Nanjing Huangshan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Space 1, North 1/F and part rooms of office area, 3/F, Jinling Motor Vehicle Inspection Building, No. 2 Huangshan Road, Jianye District, Nanjing City, Jiangsu Province	November 20, 1997	Li Wei	025-83315198
69	Nantong Changjiang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 538 Changjiang Road, Haimen Sub-district, Haimen District, Nantong City, Jiangsu Province	April 19, 2012	Feng Baosheng	0513-51001988
70	Nantong Zhaoxia Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shop 101, Building 1, Aojian Building, No. 467 Zhaoxia Road, Hightech Zone, Nantong City, Jiangsu Province	May 24, 2001	Chen Ying	0513-81691258
71	Haimen Xiushan West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 50 Xiushan West Road, Haimen Sub-district, Haimen District, Nantong City, Jiangsu Province	August 11, 2014	Shao Lei	0513-80182108
72	Suzhou Longxi Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 103 and 701, Longxi Building, No. 160 Longxi Road, Wuzhong District, Suzhou City, Jiangsu Province	October 13, 1997	Xu Zhifeng	0512-65282812
73	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
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	Yang Youjing	0523-87650123
75	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
76	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	Registered address	Time of establishment	Principal	Telephone
77	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
78	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
79	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	Wang Yijun	0515-86232366
80	Yancheng Century Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 101, Building 4, Phoenix Culture Plaza, No. 611 Century Avenue, Chengnan New District, Yancheng City, Jiangsu Province	April 14, 1998	Zhang Tiye	0515-88326770
81	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	Jiang Hua	0515-89080909
82	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
83	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
84	Yancheng Xiangshui Shuangyuan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 58-4 Shuangyuan Road, Xiangshui County, Yancheng City, Jiangsu Province	January 28, 2014	Wang Daorong	0515-86885858
85	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	Xun Yongxing	0514-86710562
86	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
87	Yixing Yangquan Middle Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 330, 332 and 336, Yangquan Middle Road, Yicheng Street, Yixing City, Jiangsu Province	April 11, 2008	Li Yuerong	0510-87962161

No.	Name	Registered address	Time of establishment	Principal	Telephone
88	Zhenjiang Jiefang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, No. 5 Building (formly Building 5, Municipal Government East Courtyard), No. 26 Jiefang Road, Zhenjiang City, Jiangsu Province	August 13, 1997	Li Chunnian	0511-85023138
89	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	Zhang Yunda	0510-86995523
90	Xuzhou Heping Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 26#, 27#-106 and 122, Tixiangwan, Yunlong District, Xuzhou City, Jiangsu Province	April 14, 2021	Wang Chunlong	0516-85558508
91	Hangzhou Miduqiao Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 3 Miduqiao Road, Gongshu District, Hangzhou City, Zhejiang Province	March 14, 1997	Yang Ming	0571-85061177
92	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
93	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
94	Tongxiang Heping Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1/F, 3-5/F and 6/F East, Building 3, No. 95 Heping Road (West), Zhendong New District, Tongxiang City, Zhejiang Province	August 22, 1997	Zhu Hui	0573-88109258
95	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	Lin Qian	0570-5031768
96	Huzhou Taihu Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 74, 76, S209 and S210 Taihu Road, Podium Building 9, Changdao Mansion, Huzhou City, Zhejiang Province	May 8, 2014	Luo Zhaoyang	0572-2761085
97	Yiwu Huangyuan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1/F, No. 143 Huangyuan Road, Yiwu City, Zhejiang Province	May 23, 2014	Jiang Xiaorong	0579-85785098
98	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
99	Hangzhou Huazhe Plaza Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 1801, 1802, 1803 and 1808, 18/F, No. 1, Huazhe Plaza, Gongshu District, Hangzhou City, Zhejiang Province	July 1, 2003	Zhang Sheng	0571-87979458
100	Hangzhou Stadium Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 267 Stadium Road, Hangzhou City, Zhejiang Province	July 1, 2003	Yang Hua	0571-85058219

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101	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
102	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
103	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
104	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
105	Xiaoshan Boxue Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 03, 12/F, Building C# (No. 3), Xiaoshan Science and Technology Innovation Center, No. 618 Boxue Road, Beigan Sub-district, Xiaoshan District, Hangzhou City, Zhejiang Province	May 20, 2016	Dong Kefei	0571-86920157
106	Lishui Chengda Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1/F, No. 3-5, Building 1, No. 181 Chengda Street, Nanmingshan Sub-district, Liandu District, Lishui City, Zhejiang Province	December 18, 2020	Chen Lifeng	0578-2720800
107	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	Wu Zhihua	0576-82599906
108	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
109	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	Xu Jiahua	0573-84235770
110	Hangzhou Xixi Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 1001 and 1101, Gate 2, Building 7, Xixi New Building, Xihu District, Hangzhou City, Zhejiang Province	August 2, 2021	Deng Hanbing	0571-86659196
111	Ningbo Haiyan North Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 426 Ningdong Road and 13-1-2 and 13-2, No. 371 Haiyan North Road, Yinzhou District, Ningbo City, Zhejiang Province	May 29, 1997	Zhang Wei	0574-87373662

No.	Name	Registered address	Time of establishment	Principal	Telephone
112	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
113	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	Xin Zhongyu	0574-87731858
114	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
115	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
116	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
117	Yueqing Bole East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shops on 1/F, No. 58-65 on 2/F, Yueji Building I, New Century Garden, Chengnan Sub-district, Yueqing City, Wenzhou City, Zhejiang Province	January 25, 2018	Huang Lingyun	0577-61555700
118	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
119	Guangzhou Zhujiang West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 5805, No. 15, Zhujiang West Road, Tianhe District, Guangzhou, Guangdong Province	June 25, 1993	Zhang Junjie	020-38735133
120	Guangzhou Dongfeng East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Units 05B, 06 and 07, 08/F, No. 761 Dongfeng East Road, Yuexiu District, Guangzhou City, Guangdong Province	March 11, 2008	Zhang Sumei	020-87383009
121	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
122	Guangzhou Hanxi Avenue East Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 3204, No. 362 Hanxi Avenue East, Nancun Town, Panyu District, Guangzhou City, Guangdong Province	March 27, 2014	Chen Peng	020-34891001

No.	Name	Registered address	Time of establishment	Principal	Telephone
123	Guangzhou Zhongshan Avenue Middle Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 1308, 1309, 1310, 1311 and 1312, No. 439 Zhongshan Avenue Middle Road, Tianhe District, Guangzhou City, Guangdong Province	January 28, 2014	Xu Huan	020-38887165
124	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
125	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	0668-3916986
126	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
127	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	Han Ren	0759-3388877
128	Shenzhen Jintian Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms A01-A02-B01, 22/F, Anlian Mansion, No. 4018 Jintian Road, Futian District, Shenzhen City, Guangdong Province	May 31, 1995	Luo Xiaoling	0755-88285733
129	Shenzhen Huafu Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Unit 01-03A, 29/F, West Block, AVIC Center, No. 1018 Huafu Road, Huahang Community, Huaqiang North Sub-district, Futian District, Shenzhen City, Guangdong Province	June 16, 1995	Tang Mingjiang	0755-82720927
130	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
131	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
132	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

No.	Name	Registered address	Time of establishment	Principal	Telephone
133	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
134	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 Subdistrict, Nanshan District, Shenzhen City, Guangdong Province	January 9, 2020	Li Tao	0755-86969795
135	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 Subdistrict, Bao'an District, Shenzhen City, Guangdong Province	January 2, 2020	Gan Bin	0755-32936683
136	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
137	Shenzhen Banyun Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	A102 and A103, Block ABCD, Building 3, Phase 1, Tian 'an Yungu Industrial Park, Gangtou Community, Bantian Sub-district, Donggang District, Shenzhen City, Guangdong Province	September 9, 2022	Mei Jialin	0755-83329626
138	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
139	Chengdu Chongzhou City Shuzhou North Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 120-4, Shuzhou North Road, Chongyang Subdistrict, Chongzhou City, Sichuan Province	September 21, 2001	Li Yun	028-82205070
140	Chengdu Huaishu Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, 5/F and 7/F, Building 3, No. 2 Huaishu Street, Qingyang District, Chengdu City, Sichuan Province	April 6, 1999	Yao Xin	028-86277125
141	Chengdu South Railway Station East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 201, 2/F, Building 2, No. 5 South Railway Station East Road, Wuhou District, Chengdu City, Sichuan Province	August 11, 1997	Cai Huawei	028-82936866
142	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

No.	Name	Registered address	Time of establishment	Principal	Telephone
143	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	028-63255300
144	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	Hu Jun	028-85733248
145	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
146	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
147	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 Jiajie	0838-5357715
148	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
149	Luzhou Jiucheng Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Zone B, 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
150	Meishan Hubin Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	4/F, Zone C, Attached Building of Yuanjing Building, Hubin Road, Dongpo District, Meishan City, Sichuan Province	August 21, 2000	Zhang Fangjun	028-38102770
151	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
152	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	Yang Qian	0835-5181990
153	Wuhan Zhongshan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 5-11, 5/F, Phoenix International Building, No. 338 Zhongshan Road, Jiyuqiao Sub-district, Wuchang District, Wuhan City, Hubei Province	April 3, 1997	Zhao Qiancheng	027-88855433
154	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

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155	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	Luo Xueting	027-83220956
156	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	Hong Jun	027-87776138
157	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
158	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
159	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	Li Jinsong	027-84525099
160	Wuhan Jingwu Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shops (3) and (4), 1-2/F, Building 15, Phase II, Yuexiu International Financial Exchange, No. 2, Jingwu Road, Jianghan District, Wuhan City, Hubei Province	June 16, 2022	Liu Jiansheng	027-85551195
161	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
162	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	Ma Xiaoqing	0713-4226194
163	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
164	Xiangyang Tanxi Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 3, 1/F, Building 1 and Room 1, 2/F, Building 1, Jiayuan, Zone G, Shanshui Tanxi, Tanxi Road, Xiangcheng District, Xiangyang City, Hubei Province	March 26, 2001	Han Ying	0710-2818255
165	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

No.	Name	Registered address	Time of establishment	Principal	Telephone
166	Yichang Yixing Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 000217-000220, Shanshui International (Building 0021), No. 105 Development Avenue, Dongcheng Pilot Zone, Yiling District, Yichang City, Hubei Province	February 19, 2001	Zhang Li	0717-7200266
167	Shenyang Zhongshan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 193 Zhongshan Road, Heping District, Shenyang City, Liaoning Province	May 11, 1993	Du Guangxin	024-22869556
168	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
169	Shenyang Jianshe East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Door 6, No. 80 Jianshe East Road, Tiexi District, Shenyang, Liaoning Province	October 26, 2001	Shui Bin	024-86510899
170	Benxi Digong Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 5 and 6, Building 20, Digong Road, Mingshan District, Benxi City, Liaoning Province	September 19, 2001	Yang Lin	024-42866008
171	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
172	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
173	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
174	Dalian Changjiang East Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 01-02, 16/F, Yunda Building, No. 71 Changjiang East Road, Zhongshan District, Dalian City, Liaoning Province	March 24, 1994	Cheng Xianhong	82809292
175	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
176	Dalian Jinma Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1-3/F, No. 172-7 Jinma Road, Dalian Economic and Technological Development Zone, Liaoning Province	September 12, 2001	Wang Zhiguang	041187623223
177	Dalian Jinzhou Stalin Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1-2/F, No.260A-4, Stalin Road, Guangming Subdistrict, Jinzhou District, Dalian City, Liaoning Province	January 3, 2014	Song Jingwei	0411-39337989
178	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	Wei Yi	0771-5880766

No.	Name	Registered address	Time of establishment	Principal	Telephone
179	Nanning Yinghua Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shops A201, A202, A203, A205, A206 and A207, Building 5, Peninsula Mong Kok, No. 56 Yinghua Road, Qingxiu District, Nanning City, Guangxi Province	June 17, 2003	Li Hongjiang	0771-5309229
180	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	Zhang Nianning	0773-8985071
181	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	Mo Jiangli	0772-2807688
182	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
183	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	Huang Zhe	0775-5963688
184	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
185	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
186	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
187	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
188	Nanchang Xinjian Changmai Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 30, 32 & 36 Changmai South Road, Changleng Town, Xinjian District, Nanchang City, Jiangxi Province	May 10, 2012	Deng Yan	0791-83531166
189	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	Registered address	Time of establishment	Principal	Telephone
190	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
191	Ganzhou Changzheng Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shops 1-13 & 2-13, 9/F, Tianji Huating, No. 2 Changzheng Avenue, Zhangjiang New Area, Zhanggong District, Ganzhou City, Jiangxi Province	September 7, 2020	Gong Chunfen	0797-5886080
192	Fuzhou Guping Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 03, 2/F and Room 04, 2/F, Shanhai Building, No. 192 Guping Road, Huada Sub-district, Gulou District, Fuzhou City, Fujian Province	April 11, 1997	Chen Ming	0591-87811342
193	Fuzhou Gutian Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Units 01, 11-13, 15-17, 25/F, Fusheng Fortune Center, No. 60 Gutian Road, Gulou District, Fuzhou City, Fujian Province	May 14, 2014	Xiao Liang	0591-38132771
194	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	Su Jianshan	0594-2633299
195	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	Yang Changjian	0595-22353188
196	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
197	Xiamen Lvling Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Units 104, 2703 and 2705, Building B, Dream Center, No. 1739 Lvling Road, Siming District, Xiamen City, Fujian Province	January 14, 2014	Yang Ying	0592-6301068
198	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
199	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
200	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

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201	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
202	Chongqing Yuxi Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2-1, No. 53 Yuxi Road, Yubei District, Chongqing	November 14, 2007	Peng Yu	023-65862279
203	Chongqing Qunhui Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Nos. 13-10, 13-11, 13-12, 13-13 and 13-14, Qunhui Road, Nan'an District, Chongqing	May 9, 2014	Wu Hanyi	023-62622243
204	Chongqing Jinshamen Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 6-16-1&16-8, Juxianyan Plaza, Jiangbei District, Chongqing	September 14, 2021	Zhu Liang	023-86791360
205	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
206	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
207	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
208	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	Miao Fang	0731-22727772
209	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	Yang Li	0731-55583205
210	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 We	0737-2223865
211	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
212	Beijing Jinsong Jiuqu Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 909, Jinsong Jiuqu, Chaoyang District, Beijing	September 11, 1995	Gao Feng	010-67736286
213	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

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214	Beijing East Fourth Ring Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 106 and 107, Unit 101, 1/F, and Room 207, Unit 201, 2/F, Building 56, East Fourth Ring Middle Road, Chaoyang District, Beijing	March 13, 2008	Wei Qingli	010-65505167
215	Beijing Lize Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 1-222, Building 1, Yard 1, Dongguantou, Fengtai District, Beijing	November 11, 2010	Gao Yanjuan	010-63898151
216	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
217	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
218	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
219	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	Mou Jun	0531-55639886
220	Linyi Jinqueshan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shops in 1-2/F, Tianyuan City Sunshine West, No. 68 Jinqueshan Road, Lanshan District, Linyi City, Shandong Province	September 30, 2013	Xu Yun	0539-7701118
221	Zibo Liantong Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 102, Building 11, University Town Entrepreneurship Center Park, 508 Liantong Road, Zhoucun District, Zibo City, Shandong Province	March 9, 2018	Zhang Le	0533-6588086
222	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
223	Qingdao Haier Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 1301, 1302, 1303, 1322 and 1323, 13/F, Liqun Jinding Building, No. 83 Haier Road, Laoshan District, Qingdao City, Shandong Province	August 30, 2013	Yang Xiaoyan	0532-85807333
224	Laixi Yantai Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Seven rooms on the south side of 1/F, 2/F and 3/F, Block 2, No. 95 Yantai Road, Shuiji Sub-district, Laixi City, Qingdao City, Shandong Province	March 26, 2001	Ma Zhijin	0532-88473456
225	Tianjin Qiwei Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	(Rooms 101 and 202), No. 79 Qiwei Road, Hedong District, Tianjin	March 31, 1997	Wang Xinnan	022-24011162
226	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	Hao Shuai	022-23115335

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227	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
228	Tianjin Lingbin Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 3-101 and 102, South of Building 3, Phase I of Lingao Creative Industry Park, Nankai District, Tianjin	December 3, 2013	Yang Guangyu	022-58660665
229	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
230	Hefei Qianshan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Office 1504, 1505, 1506, Part 1, Baili Business Center, No. 888 Qianshan Road, Shushan District, Hefei City, Anhui Province	September 6, 2011	Wang Hongpeng	0551-67127560
231	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
232	Huainan Dongshan Middle Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, 3/F (Ground Floor), Podium, Huainan Caijin Building, No. 8 Dongshan Middle Road, Tianjiaan District, Huainan City, Anhui Province	April 13, 2018	Wang Bo	0554-2691212
233	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	0432-65118119
234	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
235	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
236	Zhengzhou 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	Shen Yang	0371-61315815
237	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
238	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	Han Xiaoxu	0311-66772089

No.	Name	Registered address	Time of establishment	Principal	Telephone
239	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
240	Baoding Yuhua West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 531-1 Yuhua West Road, Baoding City, Hebei Province	October 17, 2013	Li Tao	0312-2088711
241	Haikou Longkun South Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 1306 and 1307, 13/F, Hainan Taiwan Building, No. 114 Longkun South Road, Ganzheyuan Community, Fucheng Sub-district, Qiongshan District, Haikou City, Hainan Province	April 8, 2002	Li Ting	0898-65877886
242	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
243	Yangpu Economic Development Zone Yingbin Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shopping Mall Shop No. 1, 1/F, Yangpu Building, No. 1 Konggu Avenue, Yangpu Economic Development Zone, Hainan Province	November 24, 2021	Lin Zhong	0898-28839608
244	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
245	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
246	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
247	Zunyi Shanghai Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. (1-2-2, 1-2-3) Unit 1, Podium 1-2, Yipincheng Phase II Project, Shanghai Road, Shanghai Road Sub-district, Huichuan District, Zunyi City, Guizhou Province	June 12, 2014	Gao Tiejun	0851-27569858

No.	Name	Registered address	Time of establishment	Principal	Telephone
248	Taiyuan Jinyang Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 1003, 10/F, Block B, Junwei International Financial Center, No. 89 Jinyang Street, Taiyuan Xuefu Park, Shanxi Comprehensive Reform Demonstration Zone	February 26, 2014	Zhang Xiaolei	0351-5608800
249	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	Zhang Guixi	0471-5977550
250	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
251	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	Wang Guoyu	0874-3181133
252	Xi'an Gaoxin Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Room 10103, Unit 1, Building 1, Nanyang International, No. 50 Gaoxin Road, High-tech District, Xi'an City, Shaanxi Province	January 27, 2014	Si Weiping	029-68250008
253	Xi'an South Second Ring Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	2/F, Xindi City West Tower, CapitaMall, No. 64 West Section of South Second Ring Road, Yanta District, Xi'an City, Shaanxi Province	February 21, 1997	Tang Jiang'ou	029-85224299
254	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
255	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
256	Urumqi Renmin Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Block B, 4/F, Urumqi Building, No. 2 Renmin Road, Tianshan District, Urumqi City, Xinjiang	October 25, 2001	Jiang Daqing	0991-8808200
257	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
258	Urumqi Beijing South Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Basements on 1/F and 2/F of the Building, No. 731 Beijing South Road, Xinshi District, Urumqi City, Xinjiang	November 14, 2007	Zhu Jincheng	0991-7671587

No.	Name	Registered address	Time of establishment	Principal	Telephone
259	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
260	Urumqi Yangzijiang Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	1F to 2F, Annex, News building of Xinjiang Daily, No. 16 Yangzijiang Road, Shayibake District, Urumqi City, Xinjiang	August 6, 2008	Hou Caixia	0991-5857539
261	Urumqi Jiefang South Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	West Area, 2/F, Office Building of Xinjiang People's Publishing House, No. 348 Jiefang South Road, Tianshan District, Urumqi City, Xinjiang	November 14, 2007	Chen Weiwei	0991-8870764
262	Urumqi Wenyi Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	2/F and 7/F, Hongyuan Building, No. 233 Wenyi Road, Tianshan District, Urumqi City, Xinjiang	April 9, 1998	Li Xiaofeng	0991-2300355
263	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
264	Urumqi Youhao Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	2/F, Peacock Building, No. 487 Youhao South Road, Shayibake District, Urumqi City, Xinjiang	February 21, 2008	Zhao Li	0991-4532207
265	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 Uygur Autonomous Region	April 24, 2002	Nie Tengyun	0991-3772810
266	Urumqi Gumudi Middle Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	2/F, Tianye Commercial Building, No. 739, Gumudi Middle Road, Midong District, Urumqi City, Xinjiang	January 31, 2008	Li Xiulei	0991-3381071
267	Chang'an Yan'an Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	3/F, (Building 48, Qiu 3, Zone 40) No. 69 Yan'an South Road, Changji City, Changji Prefecture, Xinjiang	November 5, 2008	Chi Xiaojie	0994-2357411
268	Kashi Keziduwei Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 602 and 603, 6/F, Block A, Building 1-1, Mingsheng International Plaza, No. 41 Keziduwei Road, Wenhua Road Community, Kumudewazi Sub-District, Kashi City, Kashi Prefecture, Xinjiang	December 11, 2008	Zhang Jiaxing	0998-5850703
269	Karamay Tianshan Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 70-3-7-19 Tianshan Road, Karamay City, Xinjiang (Rooms 7-19, 3/F, Metropolitan Plaza)	October 20, 2008	Liu Yan	0990-6890957
270	Karamay Jungar Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	4/F, No. 61 Junggar Road, Karamay City, Xinjiang	September 27, 2011	Qu Jingqiang	0990-6234660

No.	Name	Registered address	Time of establishment	Principal	Telephone
271	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
272	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	0992-3224050
273	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
274	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	December 6, 2007	Ma Zhaoyuan	0999-8039959
275	Changji Yan'an North Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Room W, Building 3, Qiu 3, Zone 5, 4/F, Podium, Oriental Plaza, No. 198 Yan'an North Road, Changji City, Changji Prefecture, Xinjiang	January 21, 2002	Chen Yu	0994-2320994
276	Hami Tianshan West Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	5/F, Ruihua Building, No. 1 Tianshan West Road, Yizhou District, Hami City, Xinjiang	January 21, 2001	Xing Yan	0902-2311283
277	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	Feng Chao	0997-2151000
278	Bole Beijing Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	3/F, No. 446 Beijing North Road, Bole City, Bortala Mongol Autonomous Prefecture, Xinjiang	July 30, 2008	Xu Yongru	0909-2222426
279	Shihezi Beisi Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	3/F, No. 167, Community 22, Beisi Road, Shihezi City, Xinjiang	March 28, 2002	Li Hao	0993-2093889
280	Tacheng Shengchan Street Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	North Side of No 3, Shengchan Street, Tacheng City, Tacheng Prefecture, Xinjiang	June 25, 2008	Fu Wenjun	0901-6239582
281	Urumqi Fenghuangshan Street Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Room 401, Building B, Rui Zhong Building Project, No. 500 Fenghuangshan Street, Xinjiang Urumqi Economic and Technological Development Zone (Toutunhe District), Xinjiang	November 14, 2007	Lv Chunyu	0991-3112117
282	Turpan Wenhua Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 102, 1#1/F, Residential Building, Tianlun Paradise Community, North Side of Wenhua Road, New 14th District, Gaochang District, Turpan City, Xinjiang	July 21, 2008	Li Jiangping	0995-8628727

No.	Name	Registered address	Time of establishment	Principal	Telephone
283	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
284	Hutubi Dongfeng Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	2F and 3F, No. 96 Dongfeng Road, Hutubi County, Changji Prefecture, Xinjiang (No. 1, 4th Yard, 9th District, 6th Street)	May 4, 2010	Cai Yongjia	0994-6825943
285	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	Wei Jingjing	0994-6860038
286	Qitai Dongda Street Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Business Hall, 1/F East of Agricultural Bank of China, Building 101, Block 1, Zone 4, No. 6 Dongda Street, Qitai County, Changji Prefecture, Xinjiang	May 7, 2010	Zhou Yan	0994-7241068
287	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
288	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	Cong Long	0902-6997831
289	Shache Qinaibage Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	2/F, South Side of No. 1 Qinaibage Road, Anning Community, Chengzhong Sub-district, Shache County, Kashgar Prefecture, Xinjiang	May 6, 2010	Liu Dongdong	0998-8520066
290	Atushi Guangming Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Shop 106, No. 27 Guangming North Road, Atushu City, Kizilsu Kirghiz Autonomous Prefecture, Xinjiang	May 5, 2010	Zhu Guangming	0908-4265099
291	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
292	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
293	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 City, Aksu Prefecture, Xinjiang	May 4, 2010	Zhu Jiandong	0997-7151198
294	Shanshan Xincheng Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 3, Building 1, East Podium, Xiyou Hotel, South Side of Xincheng East Road, 7th District, Shanshan County, Turpan City, Xinjiang	September 23, 2008	Li Nan	0995-8314862

No.	Name	Registered address	Time of establishment	Principal	Telephone
295	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
296	Hetian Urumchi North Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 123, Urumqi North Road, Heping Community, Nuermage Sub-district, Hetian City, Hetian Area, Xinjiang	August 11, 2021	Du Zhenglin	0903-6880099
297	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 VII 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	437,244	0.0017%	0	0	0	0	0	437,244	0.0017%
1. State-owned shares	0	0.0000%	0	0	0	0	0	0	0.0000%
2. Shares held by state-owned legal entities	0	0.0000%	0	0	0	0	0	0	0.0000%
3. Shares held by other domestic capital	437,244	0.0017%	0	0	0	0	0	437,244	0.0017%
Including: shares held by domestic legal entities	0	0.0000%	0	0	0	0	0	0	0.0000%
Shares held by domestic natural persons	437,244	0.0017%	0	0	0	0	0	437,244	0.0017%
4. Shares held by foreign capital	0	0.0000%	0	0	0	0	0	0	0.0000%
Including: shares held by overseas legal entities	0	0.0000%	0	0	0	0	0	0	0.0000%
Shares held by overseas natural persons	0	0.0000%	0	0	0	0	0	0	0.0000%
II. Shares without selling restrictions	25,039,507,316	99.9983%	0	0	0	0	0	25,039,507,316	99.9983%
1. RMB-denominated ordinary shares	22,535,507,316	89.9983%	0	0	0	0	0	22,535,507,316	89.9983%
2. Domestic listed foreign shares	0	0.0000%	0	0	0	0	0	0	0.0000%
3. Overseas listed foreign shares	2,504,000,000	10.0000%	0	0	0	0	0	2,504,000,000	10.0000%
4. Others	0	0.0000%	0	0	0	0	0	0	0.0000%
III. Total number of shares	25,039,944,560	100.0000%	0	0	0	0	0	25,039,944,560	100.0000%

(II) Changes in A Shares subject to selling restrictions

During the Reporting Period, there was no change in the Company's shares subject to selling restrictions.

II. ISSUANCE AND LISTING OF SECURITIES

(I) The Company had no issuance or listing of shares, convertible corporate bonds, separately traded convertible corporate bonds and other derivative securities during the Reporting Period.

For the issuance of corporate bonds by the Company, please refer to "Section VIII Profile of Bonds" of this report; for the bonds of subsidiaries of the Company, please refer to "XXIII. Significant Matters of Subsidiaries of the Company" under "Section VI Significant Events" in this report.

(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, rights issue, placement of new shares, nonpublic 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 283,334 (including 283,274 A shareholders and 60 H shareholders)

(II) Number of shareholders and their shareholdings as of December 31, 2022

Unit: Share

Total number of ordinary shareholders as of the end of the Reporting Period	287,342 (including 287,280 A shareholders and 62 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%	2,503,797,770	-2,400	0	2,503,797,770	N/A	N/A
Shanghai Jiushi (Group) Co., Ltd.	State-owned legal entity	4.84%	1,211,847,689	-962,700	0	1,211,847,689	–	0
Sichuan Development Holding Co., Ltd.	State-owned legal entity	4.49%	1,124,543,633	52,500,000	0	1,124,543,633	–	0
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	0	0	460,642,216	Pledged	217,000,000
Hong Kong Securities Clearing Company Limited	Overseas legal entity	1.15%	288,956,091	-58,360,799	0	288,956,091	–	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., holds the entire equity interest in Central Huijin Asset Management Ltd., and holds 63.16% of equity interest in China Everbright Group Ltd.
Description of the above-mentioned shareholders' delegated/entrusted voting rights and waiver of voting rights	None
Special description for the existence of special repurchase account among the top 10 shareholders	None

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	2,503,797,770	Overseas listed foreign shares	2,503,797,770
Shanghai Jiushi (Group) Co., Ltd.	1,211,847,689	RMB-denominated ordinary shares	1,211,847,689
Sichuan Development Holding Co., Ltd.	1,124,543,633	RMB-denominated ordinary shares	1,124,543,633
China Everbright Group Ltd.	999,000,000	RMB-denominated ordinary shares	999,000,000
China Securities Finance Corporation Limited	635,215,426	RMB-denominated ordinary shares	635,215,426
Xinjiang Financial Investment Co., Ltd.	460,642,216	RMB-denominated ordinary shares	460,642,216
Hong Kong Securities Clearing Company Limited	288,956,091	RMB-denominated ordinary shares	288,956,091
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., holds the entire equity interest in Central Huijin Asset Management Ltd., and holds 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	Due to engagement in the margin and securities refinancing business, the number of shares held by Shanghai Jiushi (Group) Co., Ltd., a shareholder of the Company at the end of the Reporting Period decreased by 962,700 shares from the end of December 2021. Due to the maturity of the contract regarding engagement in the margin and securities refinancing business, the number of shares held by Sichuan Development Holding Co., Ltd., a shareholder of the Company at the end of the Reporting Period increased by 52,500,000 shares from the end of December 2021.		

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

China Jianyin Investment Ltd. has Dong Shi as its legal representative and Huang Jianjun 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, 2022

No.	Stock Code	Stock Name	Number of shares held (shares)
1	600385.SH	Shandong Jintai Group	3,169,001
2	601229.SH	Bank of Shanghai	687,322,763
3	600369.SH	Southwest Securities	328,427,012
4	601995.SH	China International Capital Corporation	911,600

(IV) Actual controller of the Company

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

As of December 31, 2022, the legal representative of Central Huijin Investment Ltd. 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, 2022 is as follows:

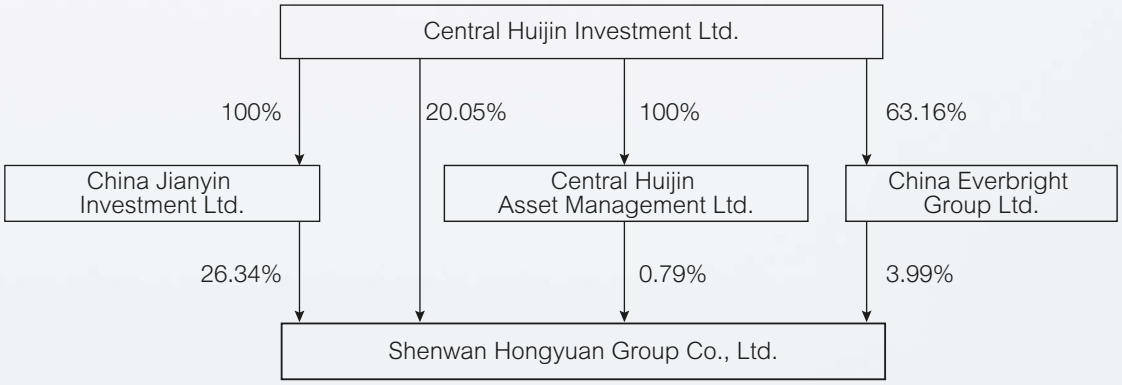
No.	Name of institution	Shareholding by Central Huijin
1.	China Development Bank	34.68%
2.	Industrial and Commercial Bank of China Limited ★☆	34.71% Note 1
3.	Agricultural Bank of China Limited ★☆	40.03%
4.	Bank of China Limited ★☆	64.02%
5.	China Construction Bank Corporation ★☆	57.11%
6.	China Everbright Group Ltd.	63.16%
7.	China Export & Credit Insurance Corporation	73.63%
8.	China Reinsurance (Group) Corporation ☆	71.56%
9.	China Jianyin Investment Limited	100.00%
10.	China Galaxy Financial Holding Co., Ltd.	69.07%
11.	Shenwan Hongyuan Group Co., Ltd. ★☆	20.05%
12.	New China Life Insurance Company Limited ★☆	31.34%
13.	China International Capital Corporation Limited ★☆	40.11%
14.	Evergrowing Bank Co., Limited	53.95%
15.	Bank of Hunan Corporation Limited	20.00%
16.	China Securities Co., Ltd. ★☆	30.76%
17.	China Galaxy Asset Management Co., Ltd.	13.30%
18.	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:



(V) The controlling shareholder or the largest shareholder of the company and its persons acting in concert have accumulatively pledged shares that account for more than 80% of the Company's shares held by them

N/A

(VI) Other legal person shareholders holding more than 10% of the shares

N/A

(VII) Description on restrictions on reducing shareholding by the controlling shareholder, actual controller, restructuring party and other undertaking parties

N/A

IV. SPECIFIC IMPLEMENTATION OF SHARE REPURCHASE DURING THE REPORTING PERIOD

N/A

V. 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, 2022, 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.

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

As at December 31, 2022, 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 3]	Percentage of the total number of issued shares of the Company [Note 4]	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 (光大保德信一華夏人壽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

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: 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 4: As at December 31, 2022, 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, 2022, 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.

VII. 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.

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

The term of the Corporate Bonds Non-publicly Offered issued by the Company in 2019 (third tranche) ("19 Shenhong 04") 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. On September 15, 2022, September 16, 2022, and September 19, 2022, the Company published the first, second and third Indicative Announcement on Adjustment of Coupon Rate and Measures for Implementation of Put-back by Investors for "19 ShenHong 04" of Shenwan Hongyuan Group Co., Ltd., respectively, pursuant to which the issuer determined to lower the coupon rate by 214 basis points at the end of the third interest-bearing year of "19 ShenHong 04", i.e. the coupon rate for the fourth and fifth interest-bearing years of the term of the bonds is 1.80% and is fixed in the fourth and fifth years of the term of the bonds. Meanwhile, it was announced that the put-back registration period of "19 ShenHong 04" is from September 20, 2022 to September 26, 2022. (Please refer to the relevant announcements published by the Company on the Cninfo website (www.cninfo.com.cn) and the website of HKExnews (www.hkexnews.hk) on September 15, September 16 and September 19, 2022 for details)

The number of "19 ShenHong 04" bonds subject to put-back is 58,000,000, the put-back amount is RMB5,800,000,000.00, and the remaining number of bonds under custody is 0. The principal and interest for the "19 ShenHong 04" bonds subject to put-back was transferred by the company to the designated bank account of Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, and were transferred to the accounts of investors on the date of receipt of put-back funds which is October 25, 2022. The put-back is in full. Upon completion of the implementation, "19 ShenHong 04" was delisted at the Shenzhen Stock Exchange on October 25, 2022. (Please refer to the relevant announcements published by the Company on the Cninfo website (www.cninfo.com.cn) and the website of HKExnews (www.hkexnews.hk) on October 21, 2022 for details)

Save as disclosed above, 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.

IX. ARRANGEMENT OF PRE-EMPTIVE RIGHT

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

Section VIII Profile of Bonds

I. CORPORATE BONDS

(I) Basic Information of the Corporate Bonds

1. Public Offering of Corporate Bonds in 2018

Name of bond	Abbreviation of bond	Code of bond	Offering date (YYYY-MM-DD)	Value date (YYYY-MM-DD)	Maturity date (YYYY-MM-DD)	Balance of bond (RMB'0,000)	Coupon rate	Payment of principal and interest	Trading place
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Qualified Investors in 2018 (First Tranche) (Type I)	18 ShenHong 01	112728	2018-07-13	2018-07-17	2023-07-17	3,250	July 17, 2018–July 16, 2021: 4.4%; July 17, 2021–July 16, 2023: 3.2%	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.	Shenzhen Stock Exchange
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Qualified Investors in 2018 (First Tranche) (Type II)	18 ShenHong 02	112729	2018-07-13	2018-07-17	2023-07-17	650,000	4.80%		

Suitability arrangement of investors (if any)	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 the China Securities Regulatory Commission and assume corresponding legal responsibilities on their own.
Applicable trading mechanism	Traded by matching, one-click-order, price-enquiry, bidding or upon negotiation
Whether there is risk of delisting (if any) and countermeasures therefor	None

2. Non-public Offering of Corporate Bonds in 2019

Name of bond	Abbreviation of bond	Code of bond	Offering date (YYYY-MM-DD)	Value date (YYYY-MM-DD)	Maturity date (YYYY-MM-DD)	Balance of bond (RMB'0,000)	Coupon rate (%)	Payment of principal and interest	Trading place
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Non-publicly Offered in 2019 (First Tranche) Note	19 ShenHong 01	114443	2019-03-06	2019-03-08	2022-03-08	0	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.	Shenzhen Stock Exchange
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Non-publicly Offered in 2019 (Second tranche) (Type I)	19 ShenHong 02	114461	2019-04-09	2019-04-12	2022-04-12	0	4.27		
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Non-publicly Offered in 2019 (Third Tranche)	19 ShenHong 04	114590	2019-10-23	2019-10-25	2024-10-25	0	3.94		

Suitability arrangement of investors (if any)	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 the CSRC and assume corresponding legal responsibilities on their own.
Applicable trading mechanism	Block transaction by agreement
Whether there is risk of delisting (if any) and countermeasures therefor	Nil

Note: Repayment of principal and payment of interest were completed for the Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Non-publicly Offered in 2019 (First Tranche), (Second Tranche) on March 8, 2022 and April 12, 2022, respectively, and such bonds were delisted. The term of the 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 year. The Company completed full put-back, interest payment and delisting on October 25, 2022.

3. Public Offering of Corporate Bonds in 2021

Name of bond	Abbreviation of bond	Code of bond	Offering date (YYYY-MM-DD)	Value date (YYYY-MM-DD)	Maturity date (YYYY-MM-DD)	Balance of bond (RMB'0,000)	Coupon rate (%)	Payment of principal and interest	Trading place
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Professional Investors in 2021 (First Tranche) (Type I)	21 ShenHong 01	149393	2021-03-04	2021-03-08	2026-03-08	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.	Shenzhen Stock Exchange
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Professional Investors in 2021 (First Tranche) (Type II)	21 ShenHong 02	149394	2021-03-04	2021-03-08	2028-03-08	50,000	3.95		
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Professional Investors in 2021 (Second Tranche) (Type II)	21 ShenHong 04	149553	2021-07-13	2021-07-15	2028-07-15	300,000	3.65		
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Professional Investors in 2021 (Third Tranche) (Type I)	21 ShenHong 05	149578	2021-08-02	2021-08-04	2024-08-04	50,000	2.99		
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Professional Investors in 2021 (Third Tranche) (Type II)	21 ShenHong 06	149579	2021-08-02	2021-08-04	2026-08-04	250,000	3.38		

Suitability arrangement of investors (if any)	Targeted to professional 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 the CSRC and assume corresponding legal responsibilities on their own.
Applicable trading mechanism	Traded by matching, one-click-order, price-enquiry, bidding or upon negotiation
Whether there is risk of delisting (if any) and countermeasures therefor	Nil

4. Public Offering of Corporate Bonds in 2022

Name of bond	Abbreviation of bond	Code of bond	Offering date (YYYY-MM-DD)	Value date (YYYY-MM-DD)	Maturity date (YYYY-MM-DD)	Balance of bond (RMB'0,000)	Coupon rate (%)	Payment of principal and interest	Trading place
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Professional Investors in 2022 (First Tranche) (Type I)	22 ShenHong 01	149825	2022-03-04	2022-03-08	2025-03-08	180,000	3.11	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.	Shenzhen Stock Exchange
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Professional Investors in 2022 (First Tranche) (Type II)	22 ShenHong 02	149826	2022-03-04	2022-03-08	2027-03-08	120,000	3.50		
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Professional Investors in 2022 (Second Tranche) (Type I)	22 ShenHong 03	149898	2022-04-22	2022-04-26	2025-04-26	300,000	3.06		
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Professional Investors in 2022 (Second Tranche) (Type II)	22 ShenHong 04	149899	2022-04-22	2022-04-26	2027-04-26	100,000	3.45		
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Professional Investors in 2022 (Third Tranche) (Type II)	22 ShenHong 06	148054	2022-08-26	2022-08-30	2032-08-30	255,000	3.56		

Suitability arrangement of investors (if any)	Targeted to professional 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 the China Securities Regulatory Commission and assume corresponding legal responsibilities on their own.
Applicable trading mechanism	Traded by matching, one-click-order, price-enquiry, bidding or upon negotiation
Whether there is risk of delisting (if any) and countermeasures therefor	Nil

During the Reporting Period, the corporate bonds were not overdue.

(II) Issuer or investor option terms and triggering and implementation of investor protection terms

1. Issuer or investor option terms

The term of Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Non-publicly Offered in 2019 (Third Tranche) ("19 ShenHong 04") 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. On September 15, 2022, September 16, 2022, and September 17, 2022, the issuer disclosed the first, second and third Indicative Announcement on Adjustment of Coupon Rate and Measures for Implementation of Put-back by Investors for "19 ShenHong 04" bonds, respectively, pursuant to which the issuer determined to lower the coupon rate by 214 basis points at the end of the third interest-bearing year of "19 ShenHong 04", i.e. the coupon rate for the fourth and fifth interest-bearing years of the term of the bonds (that is, from October 25, 2022 to October 24, 2024) is1.80% and is fixed in the fourth and fifth years of the term of the bonds. Meanwhile, it was announced that the put-back registration period of "19 ShenHong 04" is from September 20, 2022 to September 26, 2022. The number of "19 ShenHong 04" bonds subject to put-back is 58,000,000, the put-back amount is RMB5,800,000,000.00, and the remaining number of bonds under custody is 0. The principal and interest for the "19 ShenHong 04" bonds subject to put-back has been transferred by the Company to the designated bank account of Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on time, and were transferred to the accounts of investors on the date of receipt of put-back funds.

2. Triggering and implementation of investor protection terms

During the Reporting Period, no investor protection terms were triggered for the corporate bonds.

(III) Intermediaries

Underwriter for Corporate Bonds Publicly Offered in 2018 and Corporate Bonds Non-publicly Offered in 2019:							
Name of lead underwriter: Shenwan Hongyuan Securities Co., Ltd.		**Office address**	5/F, Block B, No. 19 Taipingqiao Street, Xicheng District, Beijing	**Contact person**	Yu Shan	**Telephone**	010-88083931
Name of joint underwriter: Huatai United Securities Co., Ltd.		**Office address**	Zone 1, 5/F, Building 1, Huatai Securities Plaza, No. 228 Jiangdong Middle Road, Jianye District, Nanjing City, Jiangsu Province	**Contact person**	Hu Shuya	**Telephone**	025-83387750
Signing accountants for Corporate Bonds Publicly Offered in 2018 and Corporate Bonds Non-publicly Offered in 2019:							
Name of accounting firm	KPMG Huazhen LLP	**Office address**	8/F, East Tower 2, East Square, No. 1 East Chang'an Avenue, Beijing	**Name of signing accountants**	Jin Naiwen,Yu Jingjing		

Bond trustee for Corporate Bonds Publicly Offered in 2018 and Corporate Bonds Non-publicly Offered in 2019:							
Name	Huatai United Securities Co., Ltd.	**Office address**	Zone 1, 5/F, Building 1, Huatai Securities Plaza, No. 228 Jiangdong Middle Road, Jianye District, Nanjing City, Jiangsu Province	**Contact person**	Hu Shuya	**Telephone of contact person**	025-83387750
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	**Contact person**	Xu Xincun	**Telephone of contact person**	021-63501349
Reason of change, procedures to be conducted and impacts on benefits of bond investors, etc. in case the relevant intermediaries hired by the company during the Reporting Period have changed (if applicable)				There were no changes in the intermediaries			
Underwriter for Corporate Bonds Publicly Offered in 2021:							
Name of lead underwriter: Shenwan Hongyuan Securities Co., Ltd.		**Office address**	5/F, Block B, No. 19 Taipingqiao Street, Xicheng District, Beijing	**Contact person**	Yu Shan	**Telephone**	010-88083931
Name of joint underwriter: Chasing Securities Co., Ltd.		**Office address**	26/F, Shuntian International Fortune Center, No. 80 Section 2 of Furong Middle Road, Changsha City	**Contact person**	Liu Yongqiang, Chen Yanbing	**Telephone**	0731-84779547
Signing accountants for Corporate Bonds Publicly Offered in 2021:							
Name of accounting firm	KPMG Huazhen LLP	**Office address**	8/F, East Tower 2, East Square, No. 1 East Chang'an Avenue, Beijing	**Name of signing accountants**		Jin Naiwen,Yu Jingjing	
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**	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	**Contact person**	Li Fujian	**Telephone**	18601130760
Reason of change, procedures to be conducted and impacts on benefits of bond investors, etc. in case the relevant intermediaries hired by the company during the Reporting Period have changed (if applicable)				There were no changes in the intermediaries			

Underwriter for Corporate Bonds Publicly Offered in 2022:							
Name of lead underwriter: Shenwan Hongyuan Securities Co., Ltd.		**Office address**	5/F, Block B, No. 19 Taipingqiao Street, Xicheng District, Beijing	**Contact person**	Yu Shan	**Telephone**	010-88083931
Name of joint underwriter: Chasing Securities Co., Ltd.		**Office address**	26/F, Shuntian International Fortune Center, No. 80 Section 2 of Furong Middle Road, Changsha City	**Contact person**	Liu Yongqiang, Chen Yanbing	**Telephone**	0731-84779547
Signing accountants for Corporate Bonds Publicly Offered in 2022:							
Name of accounting firm	KPMG Huazhen LLP	**Office address**	8/F, East Tower 2, East Square, No. 1 East Chang'an Avenue, Beijing	**Name of signing accountants**		Jin Naiwen,Yu Jingjing	
Name of accounting firm	PricewaterhouseCoopers Zhong Tian LLP	**Office address**	11/F, PricewaterhouseCoopers Center, Link Square 2, No. 202 Hu Bin Road, Huangpu District, Shanghai	**Name of signing accountants**		Yip Siu Foon, Linda, Shan Feng	
Bond trustee for Corporate Bonds Publicly Offered in 2022:							
Name	Chasing Securities Co., Ltd.	**Office address**	26/F, Shuntian International Fortune Center, No. 80, Section 2 of Furong Middle Road, Changsha City	**Contact person**	Liu Yongqiang, Chen Yanbing	**Telephone**	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	**Contact person**	Li Fujian	**Telephone**	010-85171271
Reason of change, procedures to be conducted and impacts on benefits of bond investors, etc. in case the relevant intermediaries hired by the company during the Reporting Period have changed (if applicable)				There were no changes in the intermediaries			

(IV) Use of proceeds

Unit: Yuan Currency: RMB

Bond	Total proceeds	Amount used	Balance	Operation of special account for proceeds (if any)	Rectification of illegal use of proceeds (if any)	Whether it is consistent with the purpose, use plan and other agreements under the prospectus
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Qualified Investors in 2018 (First Tranche)	7,000,000,000	7,000,000,000	0	Use according to regulations	Nil	Yes
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Non-publicly Offered in 2019 (First Tranche)	1,000,000,000	1,000,000,000	0	Use according to regulations	Nil	Yes
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Non-publicly Offered in 2019 (Second Tranche)	3,200,000,000	3,200,000,000	0	Use according to regulations	Nil	Yes
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Non-publicly Offered in 2019 (Third Tranche)	5,800,000,000	5,800,000,000	0	Use according to regulations	Nil	Yes
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Professional Investors in 2021 (First Tranche)	2,000,000,000	2,000,000,000	0	Use according to regulations	Nil	Yes
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Professional Investors in 2021 (Second Tranche)	3,000,000,000	3,000,000,000	0	Use according to regulations	Nil	Yes
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Professional Investors in 2021 (Third Tranche)	3,000,000,000	3,000,000,000	0	Use according to regulations	Nil	Yes
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Professional Investors in 2022 (First Tranche)	3,000,000,000	3,000,000,000	0	Use according to regulations	Nil	Yes
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Professional Investors in 2022 (Second Tranche)	4,000,000,000	4,000,000,000	0	Use according to regulations	Nil	Yes
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Professional Investors in 2022 (Third Tranche)	2,550,000,000	2,550,000,000	0	Use according to regulations	Nil	Yes

Use of proceeds for construction projects

N/A

Chang of the use of proceeds from the above bonds during the Reporting Period

N/A

(V) Credit rating adjustment for corporate bonds

During the Reporting Period, there was no change in the credit rating of corporate bonds.

During the Reporting Period, Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. and China Lianhe Credit Rating Co. Ltd. conducted ongoing credit rating on the corporate bonds issued publicly by the company. There was no change in relevant credit rating level, rating outlook and credit rating results. The credit rating agencies maintained the AAA credit rating for the Company as an issuer, and the AAA credit rating for the corporate bonds, with a stable rating outlook.

(VI) Implementation of and changes in guarantees, debt repayment plan and other debt repayment safeguard measures for corporate bonds during the Reporting Period and the effects thereof on the interests of bond investors

1. 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 credit enhancement mechanism, debt repayment plan and other debt repayment guarantee measures for the above corporate bonds.

The Company paid out of the special debt repayment account the interest payable for "18 ShenHong 01" and "18 ShenHong 02". In July 2022, the Company paid out of the special debt repayment account the interest payable for "18 ShenHong 01" and "18 ShenHong 02" for the period from July 17, 2021 to July 16, 2022.

2. Non-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 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 the interest payable for "19 ShenHong 01", "19 ShenHong 02" and "19 ShenHong 04". In March 2022, the Company paid out of the special debt repayment account the interest payable and all principal for "19 ShenHong 01" for the period from March 8, 2021 to March 7, 2022. In April 2022, the Company paid out of the special debt repayment account the interest payable and all principal for "19 ShenHong 02" for the period from April 12, 2021 to April 11, 2022. In October 2022, the Company paid out of the special debt repayment account the interest payable and all principal for "19 ShenHong 04" for the period from October 25, 2021 to October 24, 2022.

3. 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 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 the special debt repayment account the interestl payable for "21 ShenHong 01", "21 ShenHong 02", "21 ShenHong 04", "21 ShenHong 05" and "21 ShenHong 06". In March 2022, the Company paid out of the special debt repayment account the interest payable for "21 ShenHong 01" and "21 ShenHong 02" for the period from March 8, 2021 to March 7, 2022. In July 2022, the Company paid out of the special debt repayment account the interest for "21 ShenHong 04" for the period from July 15, 2021 to July 14, 2022. In August 2022, the Company paid out of the special debt repayment account the interest for "21 ShenHong 05" and "21 ShenHong 06" for the period from August 4, 2021 to August 3, 2022.

4. Public Offering of Corporate Bonds in 2022

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 2022 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 credit enhancement mechanism, debt repayment plan and other debt repayment guarantee measures for the above corporate bonds.

No guarantee is provided for the corporate bonds issued by the Company.

During the Reporting Period, there were no changes in credit enhancement mechanism, debt repayment plan and other debt repayment guarantee measures for the above corporate bonds.

II. OTHER INFORMATION ON BONDS

During the Reporting Period, the Company did not have enterprise bonds, non-financial enterprise bond financing instruments, or convertible corporate bonds; the Company did not record loss within the scope of consolidated statements exceeding 10% of the net assets as at the end of last year; the Company did not have any overdue debts; no interest-bearing bonds other than bonds were overdue; there was no violation of laws and regulations, the Articles of Association, the provisions of the information disclosure management system, and the stipulations or commitments in the prospectus of bonds.

For the bonds of subsidiaries of the Company, please refer to "XXIII. Significant Matters of Subsidiaries of the Company" under "Section VI Significant Events" in this report.

III. THE MAIN ACCOUNTING INFORMATION AND FINANCIAL INDICATORS OF THE COMPANY FOR THE RECENT TWO YEARS AS OF THE END OF THE REPORTING PERIOD

Items	As of the end of the Reporting Period	As of the end of last year	Increase/decrease as compared with the end of last year
Current ratio	**1.58**	1.57	Increased by 0.01
Gearing ratio [Note]	**77.25%**	78.43%	Decreased by 1.18 percentage points
Quick ratio	**1.58**	1.56	Increased by 0.02

Items	For the Reporting Period	For the same period last year	Increase/decrease as compared with the same period last year
Profit for the year after deducting non-recurring profit or loss (RMB'000)	**2,959,853**	9,308,742	-68.20%
Total debt to EBITDA ratio	**0.07**	0.11	Decreased by 0.04
Interest coverage multiple	**1.34**	2.14	-37.38%
Cash interest coverage multiple	**5.18**	-3.02	N/A
EBITDA interest coverage multiple	**1.42**	2.21	-35.75%
Loan repayment ratio	**100.00%**	100.00%	–
Interest repayment ratio	**100.00%**	100.00%	–

Note: Gearing ratio = (Total liabilities – Accounts payable to brokerage clients – Proceeds from underwriting securities received on behalf of customers/(Total assets – Accounts payable to brokerage clients – Proceeds from underwriting securities received on behalf of customers)*100%

Section IX Financial Statements
Independent Auditor's Report

To the Shareholders of Shenwan Hongyuan Group Co., Ltd.

(Incorporated in the People's Republic of China with limited liability)

Opinion

What we have audited

The consolidated financial statements of Shenwan Hongyuan Group Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 316-460, which comprise:

- the consolidated statement of financial position as at 31 December 2022;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory information.

Our opinion

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 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") 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"). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

Key audit matters identified in our audit are summarised as follows:

- Consolidation of structured entities
- Expected credit impairment allowance of margin accounts, financial assets held under resale agreements, financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income
- Valuation of financial instruments held at fair value classified under Level 3 Financial Instruments

Key Audit Matter	How our audit addressed the Key Audit Matter
Consolidation of structured entities	
Refer to Notes 3(3) and 53 to the consolidated financial statements. As at 31 December 2022, net assets of the consolidated structured entities and the carrying amount of unconsolidated structured entities invested by the Group included in the consolidated statement of financial position amounted to RMB24,311 million and RMB93,591 million, respectively. The Group acted as asset manager for, or invested in, a number of investment funds and asset management plans which were structured entities.	We obtained an understanding of the management's internal control and assessment process of the consolidation assessment of structured entities, and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors. We evaluated and tested the design and operating effectiveness of the Group's relevant controls over consolidation assessment of structured entities.

Key Audit Matter	How our audit addressed the Key Audit Matter
Consolidation of structured entities (Continued)	
Management made significant judgements when concluding on whether the Group controlled, and therefore should consolidate, these structured entities. Management's decision on whether or not to consolidate structured entities was based on an assessment of the Group's power, its variable returns and the ability to exercise its power to influence the variable returns from these structured entities. The significant judgements exercised by management in assessing whether the Group had control over the structured entities and the amount of the structured entities managed or invested by the Group resulted in this matter being identified as a key audit matter.	We selected samples to examine supporting documents of structured entities managed or invested by the Group, by performing the procedures below to conclude on whether the Group controlled these structured entities: (1) assessed the Group's contractual rights and obligations in light of the transaction structures, and evaluated the Group's power over the structured entities; (2) examined the contract terms related to the variable returns from the structured entities, including but not limited to commission income and asset management fees earned by the Group as the asset manager, the underlying asset, the return for investor, and checked with the information used by management. (3) We recalculated the variable returns from the structured entities and the variabilities on a sample basis. (4) We also assessed whether the Group acted as a principal or an agent, through analysing the scope of the Group's decision-making authority over the sampled structured entities, the remuneration to which the Group was entitled to for asset management services and the Group's exposure to variability of returns from its other interests in the structured entities. Based on the procedures performed, we found management's consolidation judgment of these structured entities were acceptable.

Key Audit Matter	How our audit addressed the Key Audit Matter
Expected credit impairment allowance of margin accounts, financial assets held under resale agreements, financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income	
Refer to Notes 3(7), 3(8), 3(11), 3(12), 14, 24, 25, 26, 33 and 58(1) to the consolidated financial statements. As at 31 December 2022, the Group recognized the following financial assets in its consolidated statement of financial position: • margin accounts amounted to RMB61,300 million with a credit loss allowance of RMB378 million; • financial assets held under resale agreements amounted to RMB17,440 million with a credit loss allowance of RMB1,829 million; • financial assets measured at amortized cost amounted to RMB4,117 million with a credit loss allowance of RMB590 million; • debt instruments measured at fair value through other comprehensive income amounted to RMB54,511 million with a credit loss allowance of RMB745 million. The credit impairment losses for the aforesaid financial assets recognized in the Group's consolidated income statement for the year ended 31 December 2022 amounted to RMB940 million.	We obtained an understanding of the management's internal control and assessment process of expected credit impairment allowance of margin accounts, financial assets held under resale agreements, financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income, and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors. We evaluated and tested the design and operating effectiveness of the Group's relevant controls over expected credit impairment allowance of margin accounts, financial assets held under resale agreements, financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income, including: (1) Governance over ECL models, including the selection and approval of modelling methodology; and the ongoing monitoring and optimization of such models; (2) Review and approval of significant management judgements and assumptions, including: i) the criteria for SICR; ii) the definition of default and credit-impairment; and iii) the use of economic variables and relative weighting for forward-looking scenarios; (3) Internal controls over the accuracy and completeness of key inputs used by the models. (4) Internal controls relating to estimated future cash flows for the financial assets classified under Stage 3.

Key Audit Matter	How our audit addressed the Key Audit Matter
Expected credit impairment allowance of margin accounts, financial assets held under resale agreements, financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income (Continued)	
The credit loss allowances as at 31 December 2022 for financial assets represented management's best estimates of the expected credit losses ("ECL") in accordance with International Financial Reporting Standard 9: "Financial Instruments". Management applied a three–stage impairment model to calculate their ECL. For such financial assets classified under stages 1 and 2, management assessed credit loss allowances using the risk parameter modelling approach that incorporated key parameters, including probability of default, loss given default and exposure at default. For credit-impaired financial assets classified under stage 3, management assessed the credit loss allowances by estimating the cash flows expected to arise from the financial assets. Management assesses whether objective evidence of impairment existed for financial assets at each reporting date. The measurement model for ECL involves significant management judgments and assumptions, primarily including: (1) Selection of the appropriate ECL models and assumptions; (2) Determination of the criteria for significant increase in credit risk ("SICR"), definition of default and credit impairment;	In addition, we also performed the following procedures: (1) We assessed the appropriateness of the modelling methodologies adopted for ECL measurement by comparing with the industry practice. We also examined the coding for model measurement on a sample basis, to tested whether or not the models reflect the modelling methodologies documented by the management. (2) By comparing with current industry practice, we assessed the reasonableness of the management's application of the SICR criteria and credit impairment definition. For margin accounts and financial assets held under resale agreements, we examined the numbers and market value of collateral on a sample basis. In addition, we tested the collateral to financial assets ratio and the backstop past due days defined by management. For debt securities, we examined appropriateness of the management's application of SICR, defaults and credit impairment criteria on a sample basis, based on the financial information and non-financial information of the borrowers, collateral types, or credit analysis of guarantors.

Key Audit Matter	How our audit addressed the Key Audit Matter
Expected credit impairment allowance of margin accounts, financial assets held under resale agreements, financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income (Continued)	
(3) Determination of forward-looking measurements and weightings; and	(3) We examined the accuracy of data inputs for the ECL models, and evaluated the reasonableness of relevant parameters, including exposure at default, loss rate after taking into consideration forward looking factors, loss given default and loss ratio.
(4) The estimated future cash flows for financial assets classified under stage 3.	(4) For forward-looking measurements, we assessed management's selection of economic indicators and the reasonableness of the prediction of economic indicators by comparing with data provided by third parties. In addition, we performed sensitivity analysis of economic scenarios and weightings.
The Group has established governance processes and controls over the measurement of ECL.	(5) For credit-impaired assets classified under stage 3, we examined, on a sample basis, forecasted future cash flows prepared by the Group based on financial information of borrowers and guarantors, latest collateral valuations and other available information together with discount rates in supporting the computation of loss allowance.
ECL assessment of financial assets was considered to be a key area of audit focus due to the materiality of the balances and the significant management judgements involved.	Based on the procedures performed, we considered the models, key parameters, significant judgements and assumptions adopted by management in the ECL measurement and the measurement results to be acceptable.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of financial instruments held at fair value classified under Level 3 Financial Instruments *Refer to Notes 3(10) and 57 to the consolidated financial statements.* As at 31 December 2022, the Group's financial instruments included those classified under Level 3 in the fair value hierarchy ("Level 3 Financial Instruments"), which were measured using valuation techniques that involve significant inputs that were not based on observable market data. Such inputs included liquidity discounts, volatility, risk adjusted discount rate and price to book ratios, etc. The amounts of Level 3 financial assets and financial liabilities as at 31 December 2022 were RMB24,926 million and RMB3,435 million, respectively. Valuation of the Level 3 financial instruments was a key area of audit focus due to the significance of their amounts and the selection of unobservable inputs used in the valuation process which involved significant judgement.	We obtained an understanding of the management's internal control and assessment process of the valuation of financial instruments held at fair value classified under Level 3 Financial Instruments, and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors. We evaluated and tested the design and operating effectiveness of the Group's relevant controls over the valuation of financial instruments held at fair value classified under Level 3 Financial Instruments. We evaluated the appropriateness of the models used by management for the valuation of Level 3 Financial Instruments by using our knowledge of those used in current industry practice. We evaluated on a sample basis the reasonableness and appropriateness of the unobservable inputs used for measuring the fair value of Level 3 Financial Instruments with reference to relevant market data, related contracts, other supporting documents, and checked the accuracy of the inputs. We performed an independent valuation and sensitivity analysis of the Level 3 Financial Instruments on a sample basis, and compared the result of independent valuation and sensitivity analysis with management's result. Based on the results of our procedures performed above, we found the models used and inputs adopted by management acceptable.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of 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 Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs 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.

Those charged with governance are responsible 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. We report our opinion 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 judgment 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 those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 those charged with governance, 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 Yip Siu Foon, Linda.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 30 March 2023

Consolidated income statement

For the year ended 31 December 2022

(In RMB thousands, unless otherwise stated)

	Note	For the year ended 31 December 2022	2021
Revenue			
Fee and commission income	5	**10,428,954**	12,391,668
Interest income	6	**9,842,835**	11,140,948
Net investment gains	7	**5,081,933**	10,354,605
Total revenue		**25,353,722**	33,887,221
Other income and gains	8	**6,221,971**	12,284,249
Total revenue and other income		**31,575,693**	46,171,470
Fee and commission expenses	9	**1,895,349**	2,469,687
Interest expenses	10	**9,750,535**	10,136,131
Staff costs	11	**7,720,630**	8,241,507
Depreciation and amortization expenses	12	**749,507**	654,958
Tax and surcharges		**144,664**	182,986
Other operating expenses	13	**7,572,369**	13,549,099
Credit impairment losses	14	**1,424,144**	521,971
Impairment losses on other assets		**13,975**	117,007
Total expenses		**29,271,173**	35,873,346
Operating profit		**2,304,520**	10,298,124
Share of profit of associates and joint ventures		**745,443**	780,998
Profit before income tax		**3,049,963**	11,079,122
Income tax expense	15	**(89,584)**	1,544,535
Profit for the year		**3,139,547**	9,534,587
Attributable to:			
Shareholders of the Company		**2,789,068**	9,398,369
Non-controlling interests		**350,479**	136,218
Total		**3,139,547**	9,534,587
Basic and diluted earnings per share (expressed in RMB yuan per share)	18	**0.11**	0.38

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December 2022

(In RMB thousands, unless otherwise stated)

	For the year ended 31 December	
	2022	2021
Profit for the year	**3,139,547**	9,534,587
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	**(756,250)**	(88,856)
– Reclassified to profit or loss	**157,040**	379,497
Share of other comprehensive income of associates and joint ventures	**8,336**	(2,189)
Exchange differences on translation of financial statements in foreign currencies	**400,550**	(122,531)
Income tax impact	**134,778**	(72,671)
Items that will not be reclassified to profit or loss:		
Equity investment at fair value through other comprehensive income		
– Net change in fair value	**(458,821)**	(350,590)
Income tax impact	**107,849**	87,648
Total other comprehensive income for the year, net of tax	**(406,518)**	(169,692)
Total comprehensive income for the year	**2,733,029**	9,364,895
Attributable to:		
Shareholders of the Company	**2,326,931**	9,261,825
Non-controlling interests	**406,098**	103,070
Total	**2,733,029**	9,364,895

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at 31 December 2022

(In RMB thousands, unless otherwise stated)

	Note	As at 31 December 2022	As at 31 December 2021
Non-current assets			
Property and equipment	19	**1,402,629**	1,353,552
Right-of-use assets	20	**899,563**	948,606
Investment properties		**47,980**	52,466
Other intangible assets	21	**291,293**	250,181
Interest in associates and joint ventures	23	**4,108,398**	4,512,058
Financial assets measured at amortized cost	24	**3,616,601**	3,045,522
Financial assets at fair value through other comprehensive income	25	**4,204,258**	6,429,530
Financial assets held under resale agreements	26	**3,916,685**	5,465,423
Financial assets at fair value through profit or loss	27	**14,589,206**	25,439,618
Refundable deposits	28	**26,517,378**	29,113,660
Deferred tax assets	29	**3,461,424**	2,570,403
Other non-current assets	30	**461,500**	106,700
Total non-current assets		**63,516,915**	79,287,719
Current assets			
Accounts receivable	31	**5,248,559**	4,093,737
Other receivables and prepayments	32	**1,333,576**	3,244,016
Margin accounts receivable	33	**61,299,617**	76,296,755
Financial assets measured at amortized cost	24	**500,768**	1,976,042
Financial assets at fair value through other comprehensive income	25	**52,336,319**	33,319,677
Financial assets held under resale agreements	26	**13,523,679**	19,932,761
Financial assets at fair value through profit or loss	27	**264,429,834**	247,136,841
Derivative financial assets	34	**8,197,282**	2,800,300
Clearing settlement funds	35	**21,106,241**	15,261,942
Cash held on behalf of brokerage clients	36	**89,528,669**	86,622,841
Cash and bank balances	37	**32,095,566**	31,038,836
Total current assets		**549,600,110**	521,723,748
Total assets		**613,117,025**	601,011,467

	Note	As at 31 December 2022	As at 31 December 2021
Current liabilities			
Loans and borrowings	39	**1,719,395**	3,229,798
Short-term debt instruments issued	40	**22,052,001**	29,586,843
Placements from other financial institutions	41	**3,462,411**	4,366,725
Accounts payable to brokerage clients	42	**100,310,770**	104,738,359
Employee benefits payable	43	**2,030,490**	2,388,044
Other payables and accruals	44	**46,401,024**	31,448,358
Contract liabilities		**37,785**	140,220
Current tax liabilities		**132,484**	851,040
Financial assets sold under repurchase agreements	45	**153,494,134**	137,977,520
Lease liabilities	46	**370,363**	305,436
Financial liabilities at fair value through profit or loss	47	**5,500,999**	5,873,514
Derivative financial liabilities	34	**4,749,684**	7,309,855
Long-term bonds due within one year	48	**44,451,669**	42,947,167
Total current liabilities		**384,713,209**	371,162,879
Net current assets		**164,886,901**	150,560,869
Total assets less current liabilities		**228,403,816**	229,848,588
Non-current liabilities			
Long-term bonds	48	**106,612,891**	117,539,557
Non-current employee benefits payable	43	**3,953,295**	3,838,905
Deferred tax liabilities	29	**5,387**	27,298
Lease liabilities	46	**555,643**	663,779
Financial liabilities at fair value through profit or loss	47	**–**	293,481
Other non-current liabilities		**596,907**	430,974
Total non-current liabilities		**111,724,123**	122,793,994
Net assets		**116,679,693**	107,054,594

Consolidated statement of financial position (continued)

As at 31 December 2022
(In RMB thousands, unless otherwise stated)

	Note	As at 31 December 2022	As at 31 December 2021
Equity			
Share capital	49	**25,039,945**	25,039,945
Reserves	50	**39,855,701**	38,823,922
Retained profits	51	**30,149,298**	31,358,141
Total equity attributable to shareholders of the Company		**95,044,944**	95,222,008
Non-controlling interests		**21,634,749**	11,832,586
Total equity		**116,679,693**	107,054,594

The accompanying notes form an integral part of there consolidated financial statements.

Approved and authorised for issue by the Board of Directors on 30 March 2023.

Liu Jian	**Huang Hao**
Executive Director, Chairman	*Executive Director, President*

Consolidated statement of changes in equity

For the year ended 31 December 2022

(In RMB thousands, unless otherwise stated)

	Attributable to shareholders of the Company										
		Reserves							Non-controlling interests		
	Share capital (Note 49)	Capital reserve (Note 50)	Surplus reserve (Note 50)	General reserve (Note 50)	Fair value reserve (Note 50)	Translation reserve (Note 50)	Retained profits (Note 51)	Subtotal	Ordinary shareholders	Other equity instrument investors	Total equity
As at 1 January 2022	25,039,945	19,367,146	3,860,340	16,236,741	(442,800)	(197,505)	31,358,141	95,222,008	1,733,218	10,099,368	107,054,594
Profit for the year	-	-	-	-	-	-	2,789,068	2,789,068	(166,295)	516,774	3,139,547
Other comprehensive income	-	-	-	-	(799,240)	337,103	-	(462,137)	55,619	-	(406,518)
Total comprehensive income for the year	-	-	-	-	(799,240)	337,103	2,789,068	2,326,931	(110,676)	516,774	2,733,029
Issuance of perpetual debt	-	-	-	-	-	-	-	-	-	9,789,071	9,789,071
Appropriation to surplus reserve	-	-	271,134	-	-	-	(271,134)	-	-	-	-
Appropriation to general reserve	-	-	-	960,972	-	-	(960,972)	-	-	-	-
Dividends approved in respect of the previous year	-	-	-	-	-	-	(2,503,995)	(2,503,995)	(6,546)	-	(2,510,541)
Distribution to other equity instrument investors	-	-	-	-	-	-	-	-	-	(386,460)	(386,460)
Other comprehensive income that has been reclassified to retained profits	-	-	-	-	261,810	-	(261,810)	-	-	-	-
As at 31 December 2022	25,039,945	19,367,146	4,131,474	17,197,713	(980,230)	139,598	30,149,298	95,044,944	1,615,996	20,018,753	116,679,693

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity (continued)

For the year ended 31 December 2022
(In RMB thousands, unless otherwise stated)

	Attributable to shareholders of the Company										
		Reserves							Non-controlling interests		
	Share capital (Note 49)	Capital reserve (Note 50)	Surplus reserve (Note 50)	General reserve (Note 50)	Fair value reserve (Note 50)	Translation reserve (Note 50)	Retained profits (Note 51)	Subtotal	Ordinary shareholders	Other equity instrument investors	Total equity
As at 1 January 2021	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
Profit for the year	–	–	–	–	–	–	9,398,369	9,398,369	24,666	111,552	9,534,587
Other comprehensive income	–	–	–	–	(47,464)	(89,080)	–	(136,544)	(33,148)	–	(169,692)
Total comprehensive income for the year	–	–	–	–	(47,464)	(89,080)	9,398,369	9,261,825	(8,482)	111,552	9,364,895
Capital contribution from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	135,250	–	135,250
Issuance of perpetual debt	–	–	–	–	–	–	–	–	–	9,987,816	9,987,816
Others	–	–	–	–	–	–	(440)	(440)	(5,269)	–	(5,709)
Appropriation to surplus reserve	–	–	296,788	–	–	–	(296,788)	–	–	–	–
Appropriation to general reserve	–	–	–	1,996,036	–	–	(1,996,036)	–	–	–	–
Dividends approved in respect of the previous year	–	–	–	–	–	–	(2,503,994)	(2,503,994)	(14,254)	–	(2,518,248)
Other comprehensive income that has been reclassified to retained profits	–	–	–	–	426,951	–	(426,951)	–	–	–	–
As at 31 December 2021	25,039,945	19,367,146	3,860,340	16,236,741	(442,800)	(197,505)	31,358,141	95,222,008	1,733,218	10,099,368	107,054,594

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2022

(In RMB thousands, unless otherwise stated)

	For the year ended 31 December	
	2022	2021
Cash flows from operating activities:		
Profit before income tax	**3,049,963**	11,079,122
Adjustments for:		
Interest expenses	**9,750,535**	10,136,131
Share of profit of associates and joint ventures	**(745,443)**	(780,998)
Depreciation and amortization expenses	**749,507**	654,958
Net provision for impairment losses	**1,438,119**	638,978
Loss/(Gains) on disposal of property and equipment and other intangible assets	**2,372**	(7,599)
Foreign exchange losses	**61,166**	23,014
Net investment gains and interest income from financial assets at fair value through other comprehensive income	**(1,661,696)**	(2,466,363)
Net investment gains and interest income from financial assets measured at amortized cost	**(209,682)**	(320,309)
Unrealised fair value changes of financial instruments at fair value through profit or loss	**3,457,619**	360,423
Unrealised fair value changes of derivative financial instruments	**(4,827,586)**	425,697
Operating cash flows before movements in working capital	**11,064,874**	19,743,054
Cash flows from operating activities:		
Increase in refundable deposits	**(2,596,282)**	(10,765,999)
Decrease/(Increase) in margin accounts receivable	**15,288,815**	(2,122,902)
Increase in accounts receivable, other receivables and prepayments	**18,175,746**	19,617,704
Decrease in financial assets held under resale agreements	**2,736,562**	7,544,428
Increase in financial instruments at fair value through profit or loss	**(11,766,642)**	(105,373,541)
(Increase)/Decrease in derivative financial instruments	**(3,129,567)**	14,656,945
Decrease in cash held on behalf of brokerage clients	**(2,905,828)**	(151,235)
Decrease in accounts payable to brokerage clients	**(4,427,589)**	(7,203,318)
Increase in other payables and accruals and other non-current liabilities	**7,811,731**	5,948,027
Decrease in employee benefits payable	**(7,999,672)**	(7,193,178)
Increase in financial assets sold under repurchase agreements	**15,516,614**	34,656,159
Decrease in placements from other financial institutions	**(900,328)**	(79,984)
Cash generated from/(used in) operations	**36,868,434**	(30,723,840)
Income taxes paid	**(1,776,687)**	(1,647,431)
Interest paid for operating activities	**(3,627,063)**	(6,090,977)
Net cash generated from/(used in) operating activities	**31,464,684**	(38,462,248)

Consolidated statement of cash flows (continued)

For the year ended 31 December 2022
(In RMB thousands, unless otherwise stated)

	Note	For the year ended 31 December 2022	2021
Cash flows from investing activities:			
Proceeds from disposal of property and equipment and other intangible assets		**20,656**	32,476
Dividends received from associates and joint ventures		**479,689**	253,151
Interest income from financial assets measured at amortized cost		**205,528**	370,186
Net investment gains and interest income from financial assets at fair value through other comprehensive income		**1,332,088**	3,520,014
Proceeds on disposal of financial assets measured at amortized cost		**887,525**	1,355,728
Purchases of property and equipment, other intangible assets and other non-current assets		**(466,304)**	(461,827)
Disposals/(Purchases) of associates and joint ventures		**677,750**	(194,456)
(Purchases)/Disposals of financial assets at fair value through other comprehensive income		**(17,285,816)**	26,124,093
(Increase)/Decrease in restricted bank deposits		**(3,789,990)**	1,041,364
Net cash (used in)/generated from investing activities		**(17,938,874)**	32,040,729
Cash flows from financing activities:			
Proceeds from issuance of long-term bonds		**39,653,918**	90,994,530
Proceeds from issuance of short-term debt instruments		**55,035,723**	75,899,327
Proceeds from loans and borrowings		**3,243,170**	10,973,500
Proceeds from issuance of other equity instruments		**9,789,071**	9,987,816
Capital injection from non-controlling shareholders of subsidiaries		**–**	129,542
Long-term bonds repaid		**(48,811,018)**	(48,906,437)
Short-term debt instruments repaid		**(62,644,889)**	(86,606,622)
Loans and borrowings repaid		**(4,729,929)**	(12,097,356)
Loans, bonds and debt instruments interest paid		**(6,207,450)**	(5,832,744)
Dividends paid		**(2,897,001)**	(2,518,097)
Payment of lease liabilities		**(416,231)**	(360,704)
Net cash (used in)/generated from financing activities		**(17,984,636)**	31,662,755
Net (decrease)/increase in cash and cash equivalents		**(4,458,826)**	25,241,236
Cash and cash equivalents at the beginning of the year		**62,780,909**	37,562,687
Effect of foreign exchange rate changes		**(61,166)**	(23,014)
Cash and cash equivalents at the end of the year	38	**58,260,917**	62,780,909

The accompanying notes form 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).

The Company's registered address moved to the Xinjiang Uygur Autonomous Region on 20 January 2015 and obtained a business license renewed by the Xinjiang Uygur Autonomous Region Administration for Industry and Commerce. The Company and its subsidiaries (hereinafter the "Group") 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 and innovative investment etc.

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.

On 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.

On 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 2022.

2 Basis of accounting

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), as issued by the International Accounting Standards Board ("IASB"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance (Cap. 622) for this financial year and the comparative period.

(1) Standards and amendments effective in 2022 adopted by the Group

For the year ended 31 December 2022, the Group has adopted the following IFRS amendments issued by IASB, which were mandatorily effective or early adopted for the current year.

Amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16.

Amendments to IFRS 3, 'business combinations' update a reference in IFRS 3 to the conceptual framework for financial reporting without changing the accounting requirements for business combinations.

Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related costs in profit or loss.

Amendments to IAS 37, 'provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, IFRS 9, IAS 41 and the Illustrative Examples accompanying IFRS 16.

The adoption of the above standards and amendments does not have any material impact on the operating results, financial position and comprehensive income of the Group for the year ended 31 December 2022.

2 Basis of accounting (continued)

(2) Standards and amendments relevant to the Group that are not yet effective in the current year and have not been adopted before their effective dates by the Group

The Group has not adopted the following new and amended standards that have been issued but are not yet effective.

		Effective for annual periods beginning on or after
IFRS 17 and Amendments	Insurance Contracts	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IAS 1 and IFRS Practice Statement 2 Amendments	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 1	Classification of Liabilities as Current or Non-current, Non-current liabilities with covenants	1 January 2024
Amendments to IFRS 16	Leases on sale and leaseback	1 January 2024
IFRS 10 and IAS 28 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date has been deferred indefinitely

The adoption of the above standards and amendments is expected not to have material impact on the Group's consolidated financial statements.

3 Significant accounting policies

(1) 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.

(2) 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.

3 Significant accounting policies (continued)

(2) Use of judgements and estimates (continued)

(i) 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:

Classification of financial assets

When the Group determines the classification of financial assets, a number of significant judgements in the business model and the contractual cash flow characteristics of the financial assets are required. Factors considered by the Group in determining the business model for a group of financial assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

When the Group assesses whether the contractual cash flows of the financial assets are consistent with basic lending arrangements, the main judgements are described as below: whether the principal amount may change over the life of the financial asset (for example, if there are prepayment of principal); whether the interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin and cost, associated with holding the financial asset for a particular period of time. For example, whether the amount paid in advance reflect only the outstanding principal and interest on the outstanding principal, as well as reasonable compensation for early termination of the contract.

Note 3(3) — consolidation: whether the Group has control over a structured entity.

The Group manages or invests in a number of structured entities. In order to assess whether the Group 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 Group 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 Group has control over the structured entities. Please refer to Note 53 to the consolidated financial statements for details.

3 Significant accounting policies (continued)

(2) Use of judgements and estimates (continued)

(ii) 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 3(8)(i) — measurement of 'expected credit loss' (ECL) allowance for financial assets;

The measurement of the ECL allowance for financial instruments, including investments in financial assets measured at amortized cost (including margin accounts, reverse repurchase agreements), and FVOCI is an area that requires the use of models and assumptions about the future economic conditions and credit behavior of the clients.

The measurement of ECL adopted by the management according to IFRS 9, involves judgements, assumptions and estimations.

— Selection of the appropriate models and determination of relevant key measurement parameters;

— Criteria for determining whether or not there was a significant increase in credit risk, or a default or impairment loss was incurred;

— Determination of forward-looking measurements and weightings; and

— The estimated future cash flows for the financial assets classified under Stage 3

3 Significant accounting policies (continued)

(2) Use of judgements and estimates (continued)

(ii) Assumptions and estimation uncertainties (continued)

Note 3(10) — measurement of fair value;

As at the end of the reporting period, the Group's valuation methods for specific investments are as follows:

- 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.

- 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.

- 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.

- For debt securities traded through the inter-bank bond market and the OTC market, fair values are determined by valuation techniques.

- 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.

Note 3(18) — recognition of deferred tax assets;

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. There are certain transactions and activities for which the ultimate tax determination is uncertain during the ordinary course of business. The Group carefully evaluates the tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognized for temporary deductible differences. As those deferred tax assets can only be recognized to the extent that it is probable that future taxable profits will be available against which the unused tax credits can be recognized, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognized if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered.

3 Significant accounting policies (continued)

(3) 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. 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 Note3(8)(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.

3 Significant accounting policies (continued)

(3) Basis of consolidation (continued)

(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.

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.

3 Significant accounting policies (continued)

(3) Basis of consolidation (continued)

(ii) Subsidiaries and non-controlling interests (continued)

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 3(7)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see Note 3(3)(iii)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 3(13)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(iii) Associates and joint ventures

An associate is an entity in which the Group or the 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 the 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 3(3) and 3(8)). 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 income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognized in the consolidated income statement and other comprehensive income.

3 Significant accounting policies (continued)

(3) Basis of consolidation (continued)

(iii) Associates and joint ventures (continued)

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 3(7)).

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).

3 Significant accounting policies (continued)

(4) 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 3(8(ii))).

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.

(5) 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.

3 Significant accounting policies (continued)

(5) Foreign currency (continued)

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.

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.

(6) 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.

(7) 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.

3 Significant accounting policies (continued)

(7) Financial instruments (continued)

(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.

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.

3 Significant accounting policies (continued)

(7) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

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.

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.

3 Significant accounting policies (continued)

(7) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

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 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.

3 Significant accounting policies (continued)

(7) 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.

3 Significant accounting policies (continued)

(7) 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, 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.

3 Significant accounting policies (continued)

(7) Financial instruments (continued)

(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.

(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 3(3) when assessing consolidation of the structured entities and applied the accounting policies described in Note 3(7)(iii) when assessing whether or not to derecognise the transferred financial assets.

(8) 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.

3 Significant accounting policies (continued)

(8) Impairment (continued)

(i) Non-derivative financial assets (continued)

Financial instruments and contract assets (continued)

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 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).

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 assets.

3 Significant accounting policies (continued)

(8) Impairment (continued)

(i) Non-derivative financial assets (continued)

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;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- 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.

3 Significant accounting policies (continued)

(8) Impairment (continued)

(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 amortization, if no impairment loss had been recognised.

3 Significant accounting policies (continued)

(9) 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.

3 Significant accounting policies (continued)

(9) 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.

3 Significant accounting policies (continued)

(9) Leases (continued)

(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.

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 a 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 3(8)). 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.

3 Significant accounting policies (continued)

(10) 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.

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.

(11) 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 3(7) and 3(8(i)). 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.

3 Significant accounting policies (continued)

(12) 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 pre-determined 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.

(13) Investments in subsidiaries

In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the principles described in Note 3(3).

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 3(8)) in the statement 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.

(14) 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 3(8(ii))). 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%

3 Significant accounting policies (continued)

(15) 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.

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.

3 Significant accounting policies (continued)

(15) Property and equipment and construction in progress (continued)

(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.

3 Significant accounting policies (continued)

(16) Other intangible assets

Intangible assets are stated at cost less accumulated amortization (where the estimated useful life is finite) and impairment loss (see Note 3(8)(ii)). 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.

(17) 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. There were no forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) to offset existing contributions under the defined contribution schemes.

(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.

3 Significant accounting policies (continued)

(17) Employee benefits (continued)

(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.

(18) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are 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.

3 Significant accounting policies (continued)

(18) Income tax (continued)

(ii) Deferred tax (continued)

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.

(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.

3 Significant accounting policies (continued)

(19) 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.

(20) 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.

(21) 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.

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.

3 Significant accounting policies (continued)

(21) Revenue recognition (continued)

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) Other business income

Other business revenue mainly comes from the bulk commodities sales of the Group's commodities trading subsidiaries.

The Group recognizes sales revenue from bulk commodity goods when fulfills the Group's performance obligations in the contract, that is, the revenue is recognized when the customer obtains control of the relevant bulk commodity goods. In the process of selling goods, the Group, as the primary obligor, has the primary responsibility of providing goods and performing orders to customers. The Group is exposed to inventory risk before or after the bulk commodity goods have been ordered by a customer; the Group has discretion in establishing prices of bulk commodity goods and exposed to credit risk for the amount receivable from customers in exchange for the other party's goods and commodity risk for inventory. The Group satisfies the performance obligation above and recognized revenue in the gross amount. When the Group acts as an agent, the net amount of the consideration received or receivable after deducting the price payable to other related parties shall be recognized and listed as income.

3 Significant accounting policies (continued)

(21) Revenue recognition (continued)

(vi) 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.

(vii) 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.

(viii) Other income

Other income is recognized on an accrual basis.

(22) 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.

(23) 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.

(24) 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.

3 Significant accounting policies (continued)

(24) Government grants (continued)

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.

(25) 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.

(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.

3 Significant accounting policies (continued)

(26) Perpetual bonds

A perpetual bond issued by the Group is classified as equity if, and only if, both of the following conditions are met,

(a) The perpetual bond includes no contractual obligation:

(i) to deliver cash or another financial asset to another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group.

(b) If the perpetual bond will or may be settled in the Group's own equity instruments, it is:

(i) a non-derivative that includes no contractual obligation for the Group to deliver a variable number of its own equity instruments; or

(ii) a derivative that will be settled only by the Group exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

Dividends for the perpetual bonds, which are classified as equity instruments, are accounted for as profit distribution.

(27) 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 product 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.

4 Taxation

The Group's main applicable taxes and tax rates are as follows:

Tax type	Tax basis	Tax rate
Value added tax ("VAT")[1]	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.	3%-13%
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[2]	Based on taxable profits	16.5%-25%

(1) According to the Circular regarding the Comprehensive Implementation of the Pilot Programs for Transformation from Business Taxes to Value-added Taxes (the "VAT Pilot Programs") (Cai Shui [2016] No.36), the Circular regarding Further Clarification of Relevant Policies Applicable to the Financial Sector in the Comprehensive Implementation of the VAT Pilot Programs (Cai Shui [2016] No.46), the Supplementary Circular regarding VAT Policies Applicable to Transactions between Financial Institutions (Cai Shui [2016] No.70) issued by the Ministry of Finance (the "MOF") and State Administration of Taxation (the "SAT") of the PRC, effective from 1 May 2016, the Company is subject to value-added taxes on its income from principal businesses at 6%.

According to the Announcement on Deepening VAT Reform Relevant Policies (Announcement of the MOF, SAT and General Administration of Customs(the "GAC") [2019] No.39) issued by the MOF, SAT and GAC, taxpayers conduct VAT taxable sales or imports goods, the tax rate previously applied to 16% and 10% will be adjusted to 13% and 9% respectively, which will come into effect as of 1 April, 2019.

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 MOF and SAT, effective from 1 January 2018, the simple tax computation method shall apply 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.

(2) 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.

5 Fee and commission income

(1) Revenue streams

	For the year ended 31 December	
	2022	2021
Income from securities brokerage business	**5,858,865**	7,545,854
Income from underwriting and sponsorship business	**1,654,286**	1,658,999
Income from futures brokerage business	**1,412,477**	1,638,439
Income from asset management business	**1,256,975**	1,383,021
Income from financial advisory business	**246,351**	165,355
Total	**10,428,954**	12,391,668

(2) Disaggregation of revenue

In the following table, fee and commission income are disaggregated by timing of revenue recognition:

	2022		2021	
	At a point in time	**Over time**	At a point in time	Over time
Income from securities brokerage business	**5,858,865**	**–**	7,545,854	–
Income from underwriting and sponsorship business	**1,580,222**	**74,064**	1,578,124	80,875
Income from futures brokerage business	**1,412,477**	**–**	1,638,439	–
Income from asset management business	**–**	**1,256,975**	–	1,383,021
Income from financial advisory business	**216,153**	**30,198**	128,394	36,961
Total	**9,067,717**	**1,361,237**	10,890,811	1,500,857

6 Interest income

	For the year ended 31 December	
	2022	2021
Interest income from margin financing and securities lending	**4,531,077**	5,538,635
Interest income from financial institutions	**3,189,321**	2,666,969
Interest income from financial instruments at fair value through other comprehensive income	**1,548,806**	1,904,232
Interest income from other financial assets held under resale agreements	**245,768**	181,795
Interest income from financial assets measured at amortized cost	**209,682**	320,309
Interest income from securities-backed lending	**118,181**	529,008
Total	**9,842,835**	11,140,948

7 Net investment gains

	For the year ended 31 December	
	2022	2021
Dividend income and interest income from financial instruments at fair value through profit or loss	**7.411.325**	8,811,275
Unrealised fair value changes of derivative financial instruments	**4,827,586**	(425,697)
Net realised gains from disposal of derivative financial instruments	**1,110,295**	728,576
Dividend income from financial instruments at fair value through other comprehensive income	**121,811**	478,468
Net realised gains from disposal of financial instruments at fair value through other comprehensive income	**(8,921)**	83,663
Net realised losses from disposal of financial assets measured at amortized cost	**(20,054)**	(7,541)
Unrealised fair value changes of financial instruments at fair value through profit or loss	**(3,457,619)**	(360,423)
Net realised gains from disposal of financial instruments at fair value through profit or loss	**(4,902,490)**	1,046,284
Total	**5,081,933**	10,354,605

8 Other income and gains

	For the year ended 31 December	
	2022	2021
Income from commodity trading business	**5,813,280**	11,801,099
Government grants[1]	**269,878**	315,156
Income from tax authorities for individual income tax withheld	**37,783**	30,020
Rental income	**18,246**	11,251
Income from disposal of property and equipment	**8,699**	1,206
Compensation received	**2,004**	7,276
Miscellaneous[2]	**72,081**	118,241
Total	**6,221,971**	12,284,249

(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.

(3) Among the above other income and gains, rental income is recognized over time, and the others are recognized at a point in time.

9 Fee and commission expenses

	For the year ended 31 December	
	2022	2021
Expenses for securities brokerage business	**1,121,642**	1,530,955
Expenses for futures brokerage business	**747,628**	903,748
Expenses for underwriting and sponsorship business	**20,733**	32,122
Expenses for asset management business	**5,167**	2,822
Expenses for financial advisory business	**179**	40
Total	**1,895,349**	2,469,687

10 Interest expenses

	For the year ended 31 December	
	2022	2021
Interest expenses for		
– Long-term bonds	**5,147,433**	4,972,175
– Financial assets sold under repurchase agreements	**2,770,237**	2,842,221
– Short-term debt instruments issued	**740,026**	797,520
– Accounts payable to brokerage clients	**484,678**	410,714
– Placements from other financial institutions	**225,364**	466,488
– Other holders of structured entities	**136,059**	450,457
– Loans and borrowings	**86,287**	89,523
– Lease liabilities	**35,316**	33,991
– Others	**125,135**	73,042
Total	**9,750,535**	10,136,131

11 Staff costs

	For the year ended 31 December	
	2022	2021
Salaries, bonuses and allowances	**5,914,807**	6,725,768
Contribution to pension schemes	**425,327**	344,653
Other social welfare	**1,380,496**	1,171,086
Total	**7,720,630**	8,241,507

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 qualified 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 Staff costs (continued)

The Group has provided full-time employees in Mainland China and to keep with corresponding pension plans required by government or local labour laws, including basic pension plan in Mainland China, Mandatory Provident Fund in Hong Kong and other mandatory schemes in certain countries outside Mainland China. The Group has not forfeited any contributions under such pension plans. The Group has also established an enterprise annuity plan for its employees in Mainland China. According to the provisions of the enterprise annuity plan, when an employee resigns, part of the amounts of the Company's contributions shall be transferred back to the enterprise account based on such employee's actual serving period, and the amounts transferred back will not reduce the contribution levels of existing employees.

The Group has also established certain contribution plans (including the Mandatory Provident Fund Scheme in Hong Kong) for some of its employees outside Mainland China. According to the provisions of the contribution plans, forfeited contributions in respect of employees who had left the Group before their contributions fully vested are available for the Group to offset its future voluntary contributions. For the year ended 31 December 2022 and 31 December 2021, the Group has not utilised any such forfeited contributions to reduce the current level of contributions.

12 Depreciation and amortization expenses

	For the year ended 31 December	
	2022	2021
Depreciation of right-of-use assets	**386,748**	349,184
Depreciation of property and equipment	**185,302**	165,120
Amortization of other intangible assets	**134,115**	99,722
Amortization of long-term deferred expenses	**38,856**	36,446
Depreciation of investment properties	**4,486**	4,486
Total	**749,507**	654,958

13 Other operating expenses

	For the year ended 31 December	
	2022	2021
Cost of commodity trading business	**5,743,767**	11,607,760
IT expenses	**236,255**	210,622
Fund and asset management scheme distribution expenses	**220,773**	220,734
Postal and communication expenses	**218,280**	231,995
Administrative and office operating expenses	**180,700**	196,128
Stock exchanges management fees	**170,402**	139,081
Rental expenses and utilities	**155,410**	146,397
Consulting and professional services	**130,437**	169,132
Investor protection funds and risk reserves for futures business	**97,410**	135,889
Business travel expenses	**75,026**	96,106
Promotion and entertainment expenses	**71,854**	157,545
Foreign exchange losses	**61,166**	23,014
Donation and sponsorship	**54,964**	52,893
Transaction cost of structured entities	**22,105**	12,085
Compensation paid	**14,390**	1,721
Auditors' remuneration	**14,172**	17,056
Miscellaneous[1]	**105,258**	130,941
Total	**7,572,369**	13,549,099

(1) Miscellaneous comprise a number of items with small amounts and various nature arising from the Group's daily business operation.

14 Credit impairment losses

	For the year ended 31 December	
	2022	2021
Provision for impairment losses against financial assets held under resale agreements	**697,036**	143,255
Provision for impairment losses against accounts receivable	**442,045**	63,017
Provision for impairment losses against financial assets at fair value through other comprehensive income	**232,716**	211,302
Provision for impairment losses against other receivables and prepayments	**38,349**	29,948
Provision for impairment losses against financial assets measured at amortized cost	**9,693**	38,249
Provision for/(Reversal of) impairment losses against cash and bank balances	**3,783**	(2,430)
Provision for impairment losses against margin accounts receivable	**522**	38,630
Total	**1,424,144**	521,971

15 Income tax expense

(1) Taxation in the consolidated income statement represents:

	For the year ended 31 December	
	2022	2021
Current tax		
– PRC income tax	**455,027**	1,963,443
– Hong Kong profits tax	**(12,772)**	63,543
Total	**442,255**	2,026,986
Adjustment in respect of prior years		
– PRC income tax	**3,898**	22,063
Deferred tax		
– Origination of temporary differences	**(535,737)**	(504,514)
Total	**(89,584)**	1,544,535

(2) Reconciliation between income tax expense and accounting profit at applicable tax rate:

	For the year ended 31 December	
	2022	2021
Profit before income tax	**3,049,963**	11,079,122
Notional tax calculated using the PRC statutory tax rate	**762,491**	2,769,781
Tax effect of non-deductible expenses	**72,102**	57,949
Tax effect of non-taxable income	**(1,322,255)**	(1,421,347)
Effect of different tax rates of subsidiaries	**62,220**	7,850
Tax effect of temporary differences or deductible loss in deferred income tax not recognized in the current period	**354,690**	114,729
Tax effect of recognition of previously unrecognized temporary differences or deductible loss	**(22,121)**	(3,273)
Adjustment for prior years	**3,898**	22,063
Others	**(609)**	(3,217)
Actual income tax expense	**(89,584)**	1,544,535

16 Directors' and supervisors' remuneration

Details of the directors' and supervisors' remuneration are as follows:

Name	2022				
	Directors' fees	Salaries, allowances and benefits in kind	Contribution to pension	Discretionary bonuses	Total
Directors					
Liu Jian[1]	–	472	21	–	493
Chu Xiaoming[2]	–	1,050	63	–	1,113
Huang Hao[3]	–	1,396	85	–	1,481
Ge Rongrong[4]	–	–	–	–	–
Ren Xiaotao	–	–	–	–	–
Zhang Yigang	–	–	–	–	–
Zhu Zhilong[5]	–	–	–	–	–
Zhang Ying[6]	–	–	–	–	–
Shao Yalou[7]	–	–	–	–	–
Independent directors					
Yang Xiaowen	240	–	–	–	240
Wu Changqi[8]	270	–	–	–	270
Chen Hanwen[9]	270	–	–	–	270
Zhao Lei[10]	240	–	–	–	240
Supervisors					
Fang Rongyi[11]	–	1,429	54	–	1,483
Chen Yan[12]	–	–	–	–	–
Jiang Yang[13]	–	–	–	–	–
Li Yan[14]	–	670	63	135	868
Zhou Jie[15]	–	692	63	119	874
Total	1,020	5,709	349	254	7,332

Except for the remuneration shown above, directors and supervisors received the deferred compensation of previous years paid in 2022 is as follows:

Mr. Huang Hao received a deferred bonus of RMB1.0025 million; Mr. Fang Rongyi received a deferred bonus of RMB2.6508 million; Ms. Li Yan received a deferred bonus of RMB1.1658 million; Ms. Zhou Jie received a deferred bonus of RMB1.0558 million; Mr. Chu Xiaoming received a deferred bonus of RMB660,000.

16 Directors' and supervisors' remuneration (continued)

Details of the directors' and supervisors' remuneration are as follows (continued):

	2021				
Name	Directors' fees	Salaries, allowances and benefits in kind	Contribution to pension	Discretionary bonuses	Total
Directors					
Chu Xiaoming[2]	–	1,416	69	2,031	3,516
Yang Wenqing	–	1,019	47	–	1,066
Huang Hao[3]	–	1,441	49	71	1,561
Chen Jianmin	–	–	–	–	–
Wang Honggang	–	–	–	–	–
Ge Rongrong[4]	–	–	–	–	–
Ren Xiaotao	–	–	–	–	–
Zhang Yigang	–	–	–	–	–
Zhu Zhilong[5]	–	–	–	–	–
Zhang Ying[6]	–	–	–	–	–
Independent directors					
Ye Mei	75	–	–	–	75
Xie Rong	75	–	–	–	75
Huang Danhan	63	–	–	–	63
Yang Xiaowen	173	–	–	–	173
Wu Changqi[8]	143	–	–	–	143
Chen Hanwen[9]	143	–	–	–	143
Zhao Lei[10]	123	–	–	–	123

16 Directors' and supervisors' remuneration (continued)

	2021				
Name	Directors' fees	Salaries, allowances and benefits in kind	Contribution to pension	Discretionary bonuses	Total
Supervisors					
Xu Yiyang	–	1,204	39	–	1,243
Wen Feng	–	–	–	–	–
Gong Bo	–	–	–	–	–
Wei Yong	–	–	–	–	–
Huang Qi	–	363	28	118	509
Wang Yanyang	–	339	28	111	478
Xie Kun	–	398	28	130	556
An Gejun	–	228	25	75	328
Fang Rongyi[11]	–	217	26	1,856	2,099
Chen Yan[12]	–	–	–	–	–
Jiang Yang[13]	–	–	–	–	–
Li Yan[14]	–	396	35	1,251	1,682
Zhou Jie[15]	–	409	35	732	1,176
Total	795	7,430	409	6,375	15,009

16 Directors' and supervisors' remuneration (continued)

(1) Appointed as director and chairman in August 2022.

(2) Appointed as director in December 2010, appointed as chairman in February 2015, resigned as director and chairman in August 2022.

(3) Appointed as director in May 2021.

(4) Appointed as director in March 2019 and resigned as director in December 2022.

(5) Appointed as director in May 2021.

(6) Appointed as director in October 2021.

(7) Appointed as director in December 2022.

(8) Appointed as independent director in May 2021.

(9) Appointed as independent director in May 2021.

(10) Appointed as independent director in May 2021.

(11) Appointed as supervisor in October 2021.

(12) Appointed as supervisor in May 2021.

(13) Appointed as supervisor in May 2021.

(14) Appointed as supervisor in May 2021.

(15) Appointed as supervisor in May 2021.

Non-executive directors Mr.Chen Jianmin, Mr. Wang Honggang, Ms. Ge Rongrong, Mr. Ren Xiaotao, Mr. Zhang Yigang, Mr. Zhu Zhilong, Ms. Zhangying and Mr. Shao Yalou, supervisors Mr. Wen Feng, Mr. Gong Bo, Mr. Wei Yong, Ms. Chen Yan and Mr. Jiangyang did not receive remuneration from the Company.

There were no amounts paid during the years ended 31 December 2022 and 2021 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 years ended 31 December 2022 and 2021.

17 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 16. The aggregate of the emoluments are as follows:

	For the year ended 31 December	
	2022	2021
Salaries and allowances	**6,932**	6,798
Discretionary bonuses	**26,545**	27,817
Employer's contribution to pension schemes	**931**	776
Total	**34,408**	35,391

The emoluments with the highest emoluments are within the following bands:

	2022 Number of individuals	2021 Number of individuals
HKD7,000,001 to HKD7,500,000	**2**	–
HKD7,500,001 to HKD8,000,000	**1**	3
HKD8,000,001 to HKD8,500,000	**–**	1
HKD8,500,001 to HKD9,000,000	**–**	–
HKD9,000,001 to HKD9,500,000	**2**	–
HKD9,500,001 to HKD10,000,000	**–**	–
HKD10,000,001 to HKD10,500,000	**–**	–
HKD10,500,001 to HKD11,000,000	**–**	–
HKD11,000,001 to HKD11,500,000	**–**	1

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 years ended 31 December 2022 and 2021.

18 Basic and diluted earnings per share

	Note	For the year ended 31 December 2022	2021
Weighted average number of ordinary shares (in thousands)	(1)	**25,039,945**	25,039,945
Net profit attributable to equity shareholders of the Company (in RMB thousands)		**2,789,068**	9,398,369
Basic and diluted earnings per share attributable to equity shareholders of the Company (expressed in RMB yuan per share)		**0.11**	0.38

There is no difference between basic and diluted earnings per share as there were no potentially dilutive shares outstanding during the year.

(1) Weighted average number of ordinary shares (in thousands)

	For the year ended 31 December 2022	2021
Number of ordinary shares as at 1 January	**25,039,945**	25,039,945
Increase in weighted average number of ordinary shares	**–**	–
Weighted average number of ordinary shares	**25,039,945**	25,039,945

19 Property and equipment

	Buildings	Motor vehicles	Machinery	Electronic equipment	Furniture and fixtures	Renovation	Construction in progress	Total
Cost								
As at 1 January 2022	1,671,339	49,298	17,850	1,118,786	81,889	121,856	227,068	3,288,086
Additions	11,446	3,080	–	174,621	2,183	19	240,834	432,183
Transfer during the year	–	–	–	54,088	1,144	3,517	(58,749)	–
Disposals	(11,560)	(5,725)	(1,472)	(121,805)	(6,754)	(6,096)	(179,002)	(332,414)
As at 31 December 2022	1,671,225	46,653	16,378	1,225,690	78,462	119,296	230,151	3,387,855
Accumulated depreciation								
As at 1 January 2022	(848,188)	(42,002)	(15,545)	(858,606)	(68,158)	(84,647)	–	(1,917,146)
Charge for the year	(53,629)	(2,044)	(177)	(120,487)	(1,956)	(7,009)	–	(185,302)
Decreases	1,849	5,389	1,385	114,224	6,457	5,988	–	135,292
As at 31 December 2022	(899,968)	(38,657)	(14,337)	(864,869)	(63,657)	(85,668)	–	(1,967,156)
Impairment								
As at 1 January 2022	(17,388)	–	–	–	–	–	–	(17,388)
Charge for the year	(682)	–	–	–	–	–	–	(682)
As at 31 December 2022	(18,070)	–	–	–	–	–	–	(18,070)
Carrying amount								
As at 31 December 2022	753,187	7,996	2,041	360,821	14,805	33,628	230,151	1,402,629

19 Property and equipment (continued)

	Buildings	Motor vehicles	Machinery	Electronic equipment	Furniture and fixtures	Renovation	Construction in progress	Total
Cost								
As at 1 January 2021	1,708,217	54,961	19,548	1,136,441	86,176	85,283	158,153	3,248,779
Additions	2,295	1,545	197	127,607	5,225	32,933	246,338	416,140
Transfer during the year	3,369	–	–	13,554	1,555	5,495	(23,973)	–
Disposals	(42,542)	(7,208)	(1,895)	(158,816)	(11,067)	(1,855)	(153,450)	(376,833)
As at 31 December 2021	1,671,339	49,298	17,850	1,118,786	81,889	121,856	227,068	3,288,086
Accumulated depreciation								
As at 1 January 2021	(811,857)	(46,858)	(16,696)	(909,358)	(73,500)	(77,068)	–	(1,935,337)
Charge for the year	(61,981)	(1,936)	(561)	(86,644)	(4,595)	(9,403)	–	(165,120)
Decreases	25,650	6,792	1,712	137,396	9,937	1,824	–	183,311
As at 31 December 2021	(848,188)	(42,002)	(15,545)	(858,606)	(68,158)	(84,647)	–	(1,917,146)
Impairment								
As at 1 January 2021	(18,153)	–	–	–	–	–	–	(18,153)
Decreases	765	–	–	–	–	–	–	765
As at 31 December 2021	(17,388)	–	–	–	–	–	–	(17,388)
Carrying amount								
As at 31 December 2021	805,763	7,296	2,305	260,180	13,731	37,209	227,068	1,353,552

As at 31 December 2022 and 31 December 2021, included in buildings, a carrying amount of RMB24,912 thousand and RMB26,784 thousand respectively, for which the Group has yet to obtain the relevant land or building certificates.

20 Right-of-use assets

	Right-of-use assets
Cost	
As at 1 January 2022	**1,485,535**
Increases	**351,624**
Decreases	**(234,654)**
As at 31 December 2022	**1,602,505**
Accumulated depreciation	
As at 1 January 2022	**(536,929)**
Charge for the year	**(386,748)**
Decreases	**220,735**
As at 31 December 2022	**(702,942)**
Carrying amount	
As at 31 December 2022	**899,563**

	Right-of-use assets
Cost	
As at 1 January 2021	1,335,344
Increases	450,578
Decreases	(300,387)
As at 31 December 2021	1,485,535
Accumulated depreciation	
As at 1 January 2021	(470,662)
Charge for the year	(349,184)
Decreases	282,917
As at 31 December 2021	(536,929)
Carrying amount	
As at 31 December 2021	948,606

21 Other intangible assets

	Software	Others[1]	Total
Cost			
As at 1 January 2022	**808,634**	**333,314**	**1,141,948**
Additions	**175,041**	**349**	**175,390**
Disposals	**(225)**	**(9)**	**(234)**
As at 31 December 2022	**983,450**	**333,654**	**1,317,104**
Accumulated amortization			
As at 1 January 2022	**(577,568)**	**(313,523)**	**(891,091)**
Charge for the year	**(133,325)**	**(790)**	**(134,115)**
Decreases	**62**	**9**	**71**
As at 31 December 2022	**(710,831)**	**(314,304)**	**(1,025,135)**
Impairment			
As at 1 January 2022	**–**	**(676)**	**(676)**
As at 31 December 2022	**–**	**(676)**	**(676)**
Carrying amount			
As at 31 December 2022	**272,619**	**18,674**	**291,293**

	Software	Others[1]	Total
Cost			
As at 1 January 2021	648,041	331,964	980,005
Additions	160,593	1,408	162,001
Disposals	–	(58)	(58)
As at 31 December 2021	808,634	333,314	1,141,948
Accumulated amortization			
As at 1 January 2021	(479,279)	(312,147)	(791,426)
Charge for the year	(98,289)	(1,434)	(99,723)
Decreases	–	58	58
As at 31 December 2021	(577,568)	(313,523)	(891,091)
Impairment			
As at 1 January 2021	–	(676)	(676)
As at 31 December 2021	–	(676)	(676)
Carrying amount			
As at 31 December 2021	231,066	19,115	250,181

(1) The carrying amount of others includes trading seats rights, which have indefinite useful lives and are not amortized.

(2) As at 31 December 2022 and 31 December 2021, the Group has no material intangible assets used as collateral or mortgage.

22 Investments in subsidiaries

Auditors of the respective subsidiaries of the Group are as follows:

— PwC ZT represents PricewaterhouseCoopers Zhong Tian LLP, a firm of certified public accountants registered in the PRC;

— KPMG HZ represents KPMG Huazhen LLP, a firm of certified public accountants registered in the PRC;

— KPMG HK represents KPMG in Hong Kong, a firm of certified public accountants registered in Hong Kong;

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		Principal activities	Auditor[2] and GAAP As at 31 December	
				2022	2021		**2022**	2021
Shenwan Hongyuan Securities Co., Ltd.* 申萬宏源證券有限公司[1]	PRC 16 January 2015	Limited Liability Company	RMB53,500,000	**100%**	100%	Securities brokerage and investment advisory, margin trading and securities lending, proprietary trading, securities asset management and others	**PwC ZT PRC GAAP**	PwC ZT 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	RMB5,700,000	**100%**	100%	Securities brokerage and margin financing	**PwC ZT PRC GAAP**	PwC ZT 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	**PwC ZT PRC GAAP**	PwC ZT 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	HKD4,070,920	**100%**	100%	Investment holding	**KPMG HK HKFRS**	KPMG HK HKFRS

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 2022	Effective equity interest held As at 31 December 2021	Principal activities	Auditor[2] and GAAP As at 31 December 2022	Auditor[2] and GAAP As at 31 December 2021
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%[2]**	64.90%[2]	Securities brokerage, corporate finance, asset management, financing and loan investment and other businesses	**KPMG HK HKFRS**	KPMG HK 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	**PwC ZT PRC GAAP**	PwC ZT PRC GAAP
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	**PwC ZT PRC GAAP**	PwC ZT 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 HZ PRC GAAP**	KPMG HZ 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	RMB2,500,000	**100%**	100%	Investment management and investment advisory services	**PwC ZT PRC GAAP**	PwC ZT 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	**NA**	NA
Shenyin & Wanguo Futures Company Limited.* 申銀萬國期貨有限公司	PRC 7 January 1993	Limited Liability Company	RMB1,441,588	**97.87%**	97.87%	Futures brokerage	**PwC ZT PRC GAAP**	PwC ZT PRC GAAP
Shenwan Hongyuan Investment Management 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	**PwC ZT PRC GAAP**	PwC ZT PRC GAAP
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	**PwC ZT PRC GAAP**	PwC ZT 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	**PwC ZT PRC GAAP**	VPwC ZT 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 2022	Effective equity interest held As at 31 December 2021	Principal activities	Auditor[2] and GAAP As at 31 December 2022	Auditor[2] and GAAP As at 31 December 2021
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	PwC ZT PRC GAAP	PwC ZT PRC GAAP
Shenwan Hongyuan Innovation (Beijing) Private Fund Management Co., Ltd.* 申萬宏源創新(北京)私募基金管理有限公司	PRC 18 July 2014	Limited Liability Company	RMB10,000	100%	100%	Fund management	PwC ZT PRC GAAP	PwC ZT 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	PwC ZT PRC GAAP	PwC ZT 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 July2013	Limited Liability Company	RMB10,000	100%	100%	Investment management	PwC ZT PRC GAAP	PwC ZT 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%	100%	Investment management	PwC ZT PRC GAAP	PwC ZT PRC GAAP
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	PwC ZT PRC GAAP	PwC ZT 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	PwC ZT PRC GAAP	PwC ZT 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 2022	Effective equity interest held As at 31 December 2021	Principal activities	Auditor[2] and GAAP As at 31 December 2022	Auditor[2] and GAAP As at 31 December 2021
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	**PwC ZT PRC GAAP**	PwC ZT 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	**PwC ZT PRC GAAP**	PwC ZT PRC GAAP
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	**NA**	PwC ZT PRC GAAP
Shenwan Hongyuan Securities Asset Management Co., Ltd.* 申萬宏源證券資產管理有限公司[3]	PRC 20 December 2022	Limited Liability Company	–	**100%**	100%	Securities business	**NA**	NA

* 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 certain structured entities during the year ended 31 December 2022, 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 53.

22 Investments in subsidiaries (continued)

(1) These subsidiaries are directly held by the Company.

(2) During the year ended 31 December 2022, 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 Shenwan Hongyuan (International) Holdings Limited. Shenwan Hongyuan (International) Holdings Limited is 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.

(3) Shenwan Hongyuan Securities Asset Management Co., Ltd. obtained the Business License for Enterprise's Legal Person issued by the Shanghai Administration of Industry and Commerce on 20 December, 2022, with a registered capital of RMB2.5 billion, which was paid in full in January 2023.

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.Z

Shenwan Hongyuan (H.K.) Limited

	As at 31 December	
	2022	2021
NCI percentage	**35.10%**	35.10%
Assets	**14,699,961**	21,180,872
Liabilities	**12,074,979**	18,075,389
Net assets	**2,624,982**	3,105,483
Carrying amount of NCI	**921,369**	1,090,024
Revenue	**122,552**	412,547
Profit for the year	**(755,776)**	(98,079)
Other comprehensive income	**(28,763)**	(68,210)
Total comprehensive income	**(784,539)**	(147,682)
Total comprehensive income attributable to NCI	**(275,373)**	(51,836)
Dividend paid to NCI	**–**	12,848
Cash flows used in operating activities	**(600,477)**	(595,166)

22 Investments in subsidiaries (continued)

SWS MU Fund Management Co., Ltd.

	As at 31 December	
	2022	2021
NCI percentage	**33.00%**	33.00%
Assets	**1,604,569**	1,455,089
Liabilities	**361,778**	345,993
Net assets	**1,242,791**	1,109,096
Carrying amount of NCI	**410,121**	366,002
Revenue	**637,923**	662,326
Profit for the year	**133,694**	125,355
Total comprehensive income	**133,694**	125,355
Total comprehensive income attributable to NCI	**44,119**	41,367
Cash flows used in operating activities	**114,284**	100,911

23 Interest in associates and joint ventures

	As at 31 December 2022	As at 31 December 2021
Share of net assets	**4,286,683**	4,690,343
Less: Provision for impairment losses	**(178,285)**	(178,285)
Total	**4,108,398**	4,512,058

23 Interest in associates and joint ventures (continued)

The following list contains the particulars of associates and joint ventures, all of which are unlisted enterprises whose quoted market prices are not available:

Name of associates and joint ventures	Place of incorporation	Paid-up capital (in thousands)	Effective equity interest held		Principal activity
			31 December 2022	31 December 2021	
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, Anhui	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	Urumqi, Xinjiang	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, Xinjiang	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	Urumqi, Xinjiang	RMB1,000,000	**18.00%**	18.00%	Asset 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, Henan	RMB5,000	**30.00%**	30.00%	Investment 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)	Shenzhen, Guangdong	RMB57,923	**17.54%**	17.54%	Equity management
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
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)	Mianyang, Sichuan	RMB310,000	**51.61%**	51.61%	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		Principal activity
			31 December 2022	31 December 2021	
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, Sichuan	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, Liaoning	RMB10,000	**26.00%**	26.00%	Investment management
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)	Jiaxing, Zhejiang	RMB163,000	**13.16%**	13.16%	Equity 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, Guangdong	RMB250,500	**25.00%**	25.00%	Equity management
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%**	30.00%	Equity management
Jinmao Investment Consulting (Shenzhen) Co., Ltd. 金茂投資諮詢(深圳)有限公司	Shenzhen, Guangdong	RMB13,517	**50.00%**	50.00%	Investment advisory
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, Jiangsu	RMB700,000	**25.05%**	25.05%	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, Jiangxi	RMB41,000	**37.51%**	37.51%	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)	Chongqing	RMB50,000	**1.00%**	1.00%	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		Principal activity
			31 December 2022	31 December 2021	
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, Guangdong	RMB80,000	**31.00%**	31.00%	Equity management
Hongyuan Equity Investment Management (Shandong) Co., Ltd. 泓源股權投資管理(山東)有限公司	Yantai, Shandong	RMB20,000	**20.00%**	20.00%	Investment management
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, Jiangsu	RMB1,202,000	**20.00%**	20.00%	Equity management
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%**	40.00%	Equity management
Yibin State Assets Industry Investment Partnership (Limited Partnership)*(1) 宜賓市國資產業投資合夥企業(有限合夥)	Yibin, Sichuan	RMB2,020,000	**1.00%**	1.00%	Equity management
Hanya Chuanghui No.1 (Shenzhen) Private Equity Investment Partnership (Limited Partnership) 韓亞匯創一號(深圳)私募股權投資基金合夥企業(有限合夥)	Shenzhen, Guangdong	RMB200,000	**40.00%**	40.00%	Equity investment
Gongqing City Shenhong Huichuang Second Logistics Industry Equity Investment Partnership (Limited Partnership) 共青城申宏匯創二期物流產業股權投資合夥企業(有限合夥)*(1)	Jiujiang, Jiangxi	RMB132,560	**0.01%**	0.01%	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 financial statements.

23 Interest in associates and joint ventures (continued)

Summarised financial information of the Group's significant associates and joint ventures, and reconciliation to the carrying amounts at the end of the year, are disclosed below:

Fullgoal Fund Management Co., Ltd.

	As at 31 December 2022	As at 31 December 2021
Gross amounts of the associate:		
Assets	**13,070,529**	12,646,262
Liabilities	**5,325,337**	5,597,222
Net assets	**7,745,192**	7,049,040
The Group's effective interest	**27.775%**	27.775%
The Group's share of net assets of the associate	**2,151,227**	1,957,871
Other adjustments	**4,784**	(1,373)
Carrying amount	**2,156,011**	1,956,498

	2022	2021
Revenue	**7,358,870**	8,306,072
Profit for the year	**2,066,140**	2,564,075
Other comprehensive loss	**30,013**	(7,956)
Other adjustments	**–**	(1,413)
Total comprehensive income	**2,096,153**	2,554,706
Dividend received from the associate	**388,850**	200,536

As at 31 December 2022 and 31 December 2021, the Group's significant associates and joint ventures are all unlisted companies and there are no public market prices.

23 Interest in associates and joint ventures (continued)

Aggregated information of associates and joint ventures that are not individually material:

	As at 31 December 2022	As at 31 December 2021
Aggregate carrying amount of individually immaterial associates and joint ventures in the financial report	**1,952,387**	2,555,560
Aggregate amounts of the Group's share of those associates and joint ventures' profits	**165,415**	70,612
Aggregate amounts of the Group's share of total comprehensive income	**165,415**	70,612

24 Financial assets measured at amortized cost

(1) Analysed by nature:

Non-current

	As at 31 December 2022	As at 31 December 2021
Asset management products and others	**4,023,165**	3,587,711
Debt securities	**183,289**	–
Less: Provision for impairment losses	**(589,853)**	(542,189)
Total	**3,616,601**	3,045,522

Current

	As at 31 December 2022	As at 31 December 2021
Asset management products and others	**500,950**	1,511,642
Debt securities	**–**	499,328
Less: Provision for impairment losses	**(182)**	(34,928)
Total	**500,768**	1,976,042

25 Financial assets at fair value through other comprehensive income

Non-current

	As at 31 December 2022	As at 31 December 2021
Designated at FVOCI		
– Equity securities not held for trading[1]	**353,966**	2,623,808
Debt securities	**3,850,292**	3,805,722
Total	**4,204,258**	6,429,530
Analysed as:		
Listed outside Hong Kong	**198,561**	2,629,757
Listed inside Hong Kong	**–**	111,198
Unlisted	**4,005,697**	3,688,575
Total	**4,204,258**	6,429,530

Current

	As at 31 December 2022	As at 31 December 2021
Designated at FVOCI		
– Equity securities not held for trading[1]	**1,675,764**	–
Debt securities	**50,660,555**	33,319,677
Total	**52,336,319**	33,319,677
Analysed as:		
Listed outside Hong Kong	**22,717,622**	10,083,977
Listed inside Hong Kong	**250,143**	138,247
Unlisted	**29,368,554**	23,097,453
Total	**52,336,319**	33,319,677

(1) Financial assets at fair value through other comprehensive income has included securities lending. The collateral for securities lending is analysed in Note 33(2).

For the year ended 31 December 2022, the Group disposed some of the financial assets at fair value through other comprehensive income resulting from adjustment in its investment strategy. The accumulated net realized loss of the equity instrument disposed of were RMB349,080 thousand (For the year ended 31 December 2021, the accumulated net realized gain of the equity instrument disposed of were RMB569,269 thousand).

As at 31 December 2022, the Group has pledged financial assets at fair value through other comprehensive income with a total fair value of RMB29,916,535 thousand for the purpose of repurchase agreement business detailed in Note 45(1) (As at 31 December 2021: RMB19,395,257 thousand).

As at 31 December 2022, the Group has pledged financial assets at fair value through other comprehensive income with a total fair value of RMB11,196,763 thousand for the purpose of bond lending business (As at 31 December 2021: RMB3,821,391 thousand).

26 Financial assets held under resale agreements

(1) Analysed by collateral type:

Non-current

	As at 31 December 2022	As at 31 December 2021
Equity securities	**5,745,759**	6,592,024
Less: Provision for impairment losses	**(1,829,074)**	(1,126,601)
Total	**3,916,685**	5,465,423

Current

	As at 31 December 2022	As at 31 December 2021
Debt securities	**13,523,883**	18,060,697
Equity securities	**–**	1,877,697
Less: Provision for impairment losses	**(204)**	(5,633)
Total	**13,523,679**	19,932,761

(2) Analysed by market:

Non-current

	As at 31 December 2022	As at 31 December 2021
Shenzhen Stock Exchange	**4,841,773**	4,546,211
Shanghai Stock Exchange	**903,986**	2,045,813
Less: Provision for impairment losses	**(1,829,074)**	(1,126,601)
Total	**3,916,685**	5,465,423

Current

	As at 31 December 2022	As at 31 December 2021
Shanghai Stock Exchange	**10,095,658**	11,770,819
Inter-bank market	**2,618,362**	6,552,190
Singapore Stock Exchange	**805,606**	661,679
Shenzhen Stock Exchange	**4,257**	953,706
Less: Provision for impairment losses	**(204)**	(5,633)
Total	**13,523,679**	19,932,761

27 Financial assets at fair value through profit or loss

Non-current

	As at 31 December 2022	As at 31 December 2021
Equity securities	**1,339,646**	1,035,706
Debt securities	**615,416**	71,557
Funds	**30,947**	544,978
Asset management products and others	**12,603,197**	23,787,377
Total	**14,589,206**	25,439,618
Analysed as:		
Listed outside Hong Kong	**813,852**	283,080
Unlisted	**13,775,354**	25,156,538
Total	**14,589,206**	25,439,618

Current

	As at 31 December 2022	As at 31 December 2021
Debt securities	**142,615,806**	146,232,561
Funds	**51,062,002**	41,897,275
Equity securities	**37,524,446**	28,715,740
Asset management products and others	**30,635,862**	26,875,347
Hybrid instruments	**2,591,718**	3,415,918
Total	**264,429,834**	247,136,841
Analysed as:		
Listed outside Hong Kong	**90,640,535**	82,611,839
Listed inside Hong Kong	**4,940,838**	4,537,969
Unlisted	**168,848,461**	159,987,033
Total	**264,429,834**	247,136,841

27 Financial assets at fair value through profit or loss (continued)

Financial assets at fair value through profit or loss has included securities lending. The collateral for securities lending is analysed in Note 33(2).

As at 31 December 2022, the Group has pledged financial assets at fair value through profit or loss with a total fair value of RMB118,144,300 thousand for the purpose of repurchase agreement business detailed in Note 45 (As at 31 December 2021: RMB108,969,981 thousand).

As at 31 December 2022, the Group has pledged financial assets at fair value through profit or loss with a total fair value of RMB10,080,095 thousand for the purpose of bond lending business (As at 31 December 2021: RMB7,756,397 thousand).

As at 31 December 2022, the equity securities in financial assets at fair value through profit or loss with lock-up periods held by the Group were RMB4,729,663(As at 31 December 2021: RMB5,085,851).

28 Refundable deposits

	As at 31 December 2022	As at 31 December 2021
Deposits with exchanges and other financial institutions:		
Trading deposit	**19,786,242**	20,738,545
Performance deposit	**6,382,311**	6,239,669
Refinancing margin	**285,477**	2,042,788
Credit deposit	**63,348**	92,658
Total	**26,517,378**	29,113,660

29 Deferred taxation

(1) The components of deferred tax assets/(liabilities) recognized in the consolidated statement of financial position and the movements 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 1 January 2021	628,759	842,451	(307,382)	51,460	346,448	464,164	178,844	2,204,744
Recognized in profit or loss	76,170	195,280	4,589	137,007	43,757	-	8,884	465,687
Recognized in reserves	-	-	-	-	14,991	-	-	14,991
Reclassified from other comprehensive income to retained profits	-	-	-	-	(142,317)	-	-	(142,317)
As at 31 December 2021	704,929	1,037,731	(302,793)	188,467	262,879	464,164	187,728	2,543,105
As at 1 January 2022	704,929	1,037,731	(302,793)	188,467	262,879	464,164	187,728	2,543,105
Recognized in profit or loss	51,816	56,171	961,814	(1,154,454)	(6,588)	-	848,816	757,575
Recognized in reserves	-	-	-	-	242,627	-	-	242,627
Reclassified from other comprehensive income to retained profits	-	-	-	-	(87,270)	-	-	(87,270)
As at 31 December 2022	756,745	1,093,902	659,021	(965,987)	411,648	464,164	1,036,544	3,456,037

(2) Reconciliation to the consolidated statement of financial position

	As at 31 December 2022	As at 31 December 2021
Net deferred tax assets recognized in the consolidated statement of financial position	**3,461,424**	2,570,403
Net deferred tax liabilities recognized in the consolidated statement of financial position	**(5,387)**	(27,298)
Total	**3,456,037**	2,543,105

29 Deferred taxation (continued)

(3) Recognized in other comprehensive income

	As at 31 December 2022		
	Before tax	**Tax benefit**	**Net of tax**
Financial assets at fair value through other comprehensive income			
– Net changes in fair value	**(756,250)**	**184,470**	**(571,780)**
– Reclassified to profit or loss	**157,040**	**(49,692)**	**107,348**
Share of other comprehensive income of associates	**8,336**	**–**	**8,336**
Exchange differences on translation of financial statements in foreign currencies	**400,550**	**–**	**400,550**
Equity investment at fair value through other comprehensive income			
– Net changes in fair value	**(458,821)**	**107,849**	**(350,972)**
Total	**(649,145)**	**242,627**	**(406,518)**

	As at 31 December 2021		
	Before tax	Tax benefit	Net of tax
Financial assets at fair value through other comprehensive income			
– Net changes in fair value	(88,856)	(13,145)	(102,001)
– Reclassified to profit or loss	379,497	(59,525)	319,972
Share of other comprehensive income of associates	(2,189)	–	(2,189)
Exchange differences on translation of financial statements in foreign currencies	(122,531)	–	(122,531)
Equity investment at fair value through other comprehensive income			
– Net changes in fair value	(350,590)	87,648	(262,942)
Total	(184,669)	14,978	(169,691)

(4) Deferred tax assets not recognized

As at 31 December 2022 and 31 December 2021, in accordance with the relevant accounting policy, the Group has not recognized deferred tax assets in respect of cumulative tax losses, and provision for bad debts with timing difference amounting to RMB2,163,383 thousand and RMB472,043 thousand respectively, mainly as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity.

30 Other non-current assets

(1) Analysed by nature:

	As at 31 December 2022	As at 31 December 2021
Inventory[(a)]	**473,986**	–
Long-term deferred expenses	**85,921**	87,046
Other[(b)]	**34,014**	19,654
Less: Provision for impairment losses[(a)]	**(132,421)**	–
Total	**461,500**	106,700

(a) As of 31 December 2022, a subsidiary of the Group filed a lawsuit due to storage contracts disputes, and the inventory involved was sealed by the public security authorities. The Company evaluated the expected cash flow that could be recovered under different scenarios, and made a provision accordingly.

(b) As of 31 December 2022, others include goodwill of RMB19,654 thousand formed by the Company as a result of the acquisition of subsidiaries. Goodwill impairment assessments are performed annually. The recoverable amount is determined by the higher of the fair value of the asset, net of disposal costs, and the present value used.

(2) The movements of long-term deferred expenses are as below:

	As at 31 December 2022	As at 31 December 2021
At the beginning of the year	**87,046**	86,358
Additions	**8,753**	14,762
Transfer in from property and equipment	**28,978**	22,372
Amortization	**(38,856)**	(36,446)
At the end of the year	**85,921**	87,046

31 Accounts receivable

(1) Analysed by nature:

	As at 31 December 2022	As at 31 December 2021
Accounts receivable of:		
– Settlement	**4,350,185**	2,840,755
– Fee and commission	**188,011**	336,700
– Asset management plans	**896,761**	1,520,015
– Others	**672,131**	16,921
Less: Provision for impairment losses	**(858,529)**	(620,654)
Total	**5,248,559**	4,093,737

31 Accounts receivable (continued)

(2) Analysed by ageing:

As at 31 December 2022 and 31 December 2021, the ageing analysis of accounts receivable, based on the trade date, is as follows:

	As at 31 December 2022	As at 31 December 2021
Within 1 year	**4,642,584**	3,195,393
1 to 2 years	**27,203**	647,391
2 to 3 years	**351,584**	212,347
Over 3 years	**227,188**	38,606
Total	**5,248,559**	4,093,737

For trade receivables result from transactions that are within the scope of IFRS 15, the Group applies the simplified approach for the recognition of expected credit losses. The Group applies the general approach for the recognition of expected credit losses of other receivables. As at 31 December 2022, except for some of asset management plans and other items which are classified into stage 3, other receivables apply the general approach are classified into the stage 1 (as at 31 December 2021: except for some of asset management plans which are classified into stage 3, other receivables are classified into the stage 1).

(3) Accounts receivable that is not impaired

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

32 Other receivables and prepayments

	As at 31 December 2022	As at 31 December 2021
Inventory	**377,889**	2,164,581
Overdue and impaired receivables	**276,773**	124,945
Prepayments[(a)]	**158,774**	122,106
Current tax assets	**131,881**	104,473
Receivables from bond issuers	**130,222**	299,726
VAT due from asset management plans	**83,397**	102,858
Deposits	**81,279**	107,182
Receivables from commodity business customers	**6,352**	53,125
Interest receivables	**479**	49,962
Others[(a)]	**411,838**	422,614
Less: Provision for impairment losses	**(325,308)**	(307,556)
Total	**1,333,576**	3,244,016

(a) The balance of prepayments and others mainly represents receivables from sundry receivables and prepayments arising from the Group's daily business operation.

33 Margin accounts receivable

(1) Analysed by nature:

	As at 31 December 2022	As at 31 December 2021
Individuals	**55,174,988**	66,151,638
Institutions	**6,502,653**	10,523,903
Less: Provision for impairment losses	**(378,024)**	(378,786)
Total	**61,299,617**	76,296,755

33 Margin accounts receivable (continued)

(2) The fair value of collaterals for margin financing and securities lending business is analysed as the followings:

	As at 31 December 2022	As at 31 December 2021
Fair value of collaterals:		
– Stocks	**181,501,671**	256,954,345
– Cash	**7,013,721**	8,412,721
– Funds	**4,562,122**	8,793,434
– Bonds	**312,043**	224,322
Total	**193,389,557**	274,384,822

34 Derivative financial instruments

	As at 31 December 2022		
	Nominal Value	Fair value	
		Assets	Liabilities
Equity derivatives	**222,157,929**	**6,821,960**	**(3,574,563)**
Interest rate derivatives	**531,781,107**	**848,802**	**(916,938)**
Commodity derivatives	**59,962,684**	**467,658**	**(202,612)**
Credit derivatives	**6,397,191**	**58,862**	**(55,571)**
Total	**820,298,911**	**8,197,282**	**(4,749,684)**

	As at 31 December 2021		
	Nominal Value	Fair value	
		Assets	Liabilities
Equity derivatives	218,871,769	1,516,247	(6,346,266)
Interest rate derivatives	190,193,212	1,136,211	(823,572)
Commodity derivatives	67,891,949	144,970	(136,013)
Credit derivatives	820,000	2,872	(4,004)
Total	477,776,930	2,800,300	(7,309,855)

Under the daily mark-to-market and settlement arrangement, clearing settlement funds included the changes in fair value of treasury bond futures, stock index futures, precious metal futures, AUTD and other commodity futures held by the Company, and were not reflected in the above derivative financial instruments. As at 31 December 2022, the fair value of those unexpired derivative financial instruments contracts was unrealized loss RMB480,673 thousand (31 December 2021: unrealized gain RMB648,176 thousand).

35 Clearing settlement funds

	As at 31 December 2022	As at 31 December 2021
Deposits with stock exchanges		
– China Securities Depository and Clearing Corporation Limited	**7,443,982**	6,258,297
– Shanghai Gold Exchange	**19,294**	26,361
– Other institutions	**13,642,965**	8,977,284
Total	**21,106,241**	15,261,942

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 business. The Group has classified the brokerage clients' monies as cash held on behalf of brokerage clients under the current assets section of the consolidated statement of financial position, and recognized the corresponding accounts payable to the respective brokerage clients on the grounds that they are liable for any loss or misappropriation of their brokerage clients' monies. In the Mainland China, the use of cash held on behalf of brokerage clients is restricted and governed by the relevant third-party deposit regulations issued by the CSRC. In Hong Kong, the use of 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

Analysed by nature:

	As at 31 December 2022	As at 31 December 2021
Cash on hand	**67**	39
Bank balances	**32,100,700**	31,040,066
Less: Provision for impairment losses	**(5,201)**	(1,269)
Total	**32,095,566**	31,038,836

Bank balances comprise time and demand deposits which bear interest at the prevailing market rates.

38 Cash and cash equivalents

	As at 31 December 2022	As at 31 December 2021
Cash on hand	**67**	39
Bank balances	**31,968,329**	30,994,100
Clearing settlement funds	**21,106,241**	15,261,942
Bond investment within 3 months original maturity	**152,739**	235,313
Financial assets held under resale agreements within 3 months original maturity	**13,517,486**	18,041,701
Less: restricted bank deposits	**(8,483,945)**	(1,752,186)
Total	**58,260,917**	62,780,909

The restricted bank deposits include bank deposits with original maturity of more than three months held by the Group and risk reserve deposits.

39 Loans and borrowings

	As at 31 December 2022	As at 31 December 2021
Unsecured bank loans	**1,719,395**	3,229,798

40 Short-term debt instruments issued

	Book value as at 1 January 2022	Issuance	Redemption	Book value as at 31 December 2022
Short-term corporate bonds	**21,059,098**	**13,937,671**	**(26,479,641)**	**8,517,128**
Structured notes	**8,527,745**	**41,738,380**	**(36,731,252)**	**13,534,873**
Total	**29,586,843**	**55,676,051**	**(63,210,893)**	**22,052,001**

	Book value as at 1 January 2021	Issuance	Redemption	Book value as at 31 December 2021
Short-term corporate bonds	24,203,492	47,976,902	(51,121,296)	21,059,098
Structured notes	16,301,577	27,922,425	(35,696,257)	8,527,745
Total	40,505,069	75,899,327	(86,817,553)	29,586,843

40 Short-term debt instruments issued (continued)

In 2022, the Group has issued 2,064 tranches of structured notes, and repaid 1,868 tranches of structured notes during the year. As at 31 December 2022, the structured notes issued by the Group used fixed rates or floating rates linked to certain stock indexes to accrue interest, in which the fixed rates range were 2.00%-6.80%.

In 2021, the Group has issued 1,461 tranches of structured notes, and repaid 1,374 tranches of structured notes during the year. As at 31 December 2021, the structured notes issued by the Group used fixed rates or floating rates linked to certain stock indexes to accrue interest, in which the fixed rates range were 2.65%-6.80%.

41 Placements from other financial institutions

	As at 31 December 2022	As at 31 December 2021
Placements from banks	**3,000,000**	1,550,000
Other	**462,411**	815,947
Placements from margin refinancing	**–**	2,000,778
Total	**3,462,411**	4,366,725

42 Accounts payable to brokerage clients

	As at 31 December 2022	As at 31 December 2021
Clients' deposits for other brokerage trading	**90,634,238**	94,324,354
Clients' deposits for margin financing and securities lending	**9,655,593**	10,401,022
Interest payable	**20,939**	12,983
Total	**100,310,770**	104,738,359

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 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.

43 Employee benefits payable

Current and Non-current

	As at 1 January 2022	Accrued for the year	Payments made	As at 31 December 2022
Salaries, bonuses and allowance	**5,840,552**	**5,914,807**	**(6,211,669)**	**5,543,690**
Contribution to pension schemes	**2,656**	**425,327**	**(424,774)**	**3,209**
Other social welfare	**383,741**	**1,380,496**	**(1,327,351)**	**436,886**
Total	**6,226,949**	**7,720,630**	**(7,963,794)**	**5,983,785**

	As at 1 January 2021	Accrued for the year	Payments made	As at 31 December 2021
Salaries, bonuses and allowance	4,936,568	6,725,768	(5,821,784)	5,840,552
Contribution to pension schemes	2,317	344,653	(344,314)	2,656
Other social welfare	239,736	1,171,086	(1,027,081)	383,741
Total	5,178,621	8,241,507	(7,193,179)	6,226,949

44 Other payables and accruals

	As at 31 December 2022	As at 31 December 2021
Performance bond	**31,866,276**	14,851,437
Payables to interest holders of consolidated structured entities	**11,852,320**	10,798,293
Settlement payables	**607,088**	1,578,231
Payables on behalf of staff	**533,592**	1,436,618
Fee and commission payable	**404,061**	741,595
Risk reserve for futures brokerage business	**284,093**	248,626
Dividend payables	**251,370**	270,325
Tax payables	**190,134**	494,344
Distribution expenses payables	**113,175**	84,013
Accrued expenses	**71,878**	89,630
Trade payables	**46,127**	458,163
Proceeds from underwriting securities received on behalf of customers	**41,100**	–
Payables to the securities and futures investor protection fund	**24,984**	54,428
Interest and dividend received on behalf of brokerage clients	**24,520**	24,092
Interest payables	**17,059**	13,575
Account executive commission payables	**6,392**	9,944
Others[1]	**66,855**	295,044
Total	**46,401,024**	31,448,358

(1) The balance of others mainly represents sundry payables arising from the Group's daily business operation.

45 Financial assets sold under repurchase agreements

(1) Analysed by collateral type:

	As at 31 December 2022	As at 31 December 2021
Debt securities	**127,791,532**	115,614,900
Fund	**14,678,578**	13,377,644
Others	**11,024,024**	8,984,976
Total	**153,494,134**	137,977,520

(2) Analysed by market:

	As at 31 December 2022	As at 31 December 2021
Inter-bank market	**74,958,673**	77,779,638
Stock exchanges	**58,329,800**	44,900,212
OTC market	**11,024,024**	8,984,976
Futures exchanges	**9,181,637**	6,312,694
Total	**153,494,134**	137,977,520

46 Lease liabilities

Non-current

	As at 31 December 2022	As at 31 December 2021
Lease liabilities	**555,643**	663,779

Current

	As at 31 December 2022	As at 31 December 2021
Lease liabilities	**370,363**	305,436

47 Financial liabilities at fair value through profit or loss

Non-current

	As at 31 December 2022	As at 31 December 2021
Financial liabilities designated at fair value through profit or loss		
– Structured notes	–	293,481

Current

	As at 31 December 2022	As at 31 December 2021
Financial liabilities held for trading		
– Debt securities	**3,735,583**	2,149,719
– Equities	**19,696**	41,473
– Gold	–	279,525
Financial liabilities designated at fair value through profit or loss		
– Structured notes	**1,711,925**	3,337,308
– Others	**33,795**	65,489
Total	**5,500,999**	5,873,514

48 Long-term bonds

As at 31 December 2022

Name	Par value Original currency	Issuance date	Due date	Issue amount Original currency	Nominal interest rate
17 ShenZheng01[(1)]	7,500,000	2017/02/17	2022/02/17	7,500,000	4.40%
17 ShenZheng02[(2)]	500,000	2017/02/17	2024/02/17	500,000	4.50%
18 ShenHong01[(3)]	500,000	2018/07/13	2023/07/17	500,000	3.20%
18 ShenHong02[(4)]	6,500,000	2018/07/13	2023/07/17	6,500,000	4.80%
18 ShenZheng03[(5)]	1,500,000	2018/12/10	2023/12/10	1,500,000	4.08%
19 ShenHong01[(6)]	1,000,000	2019/03/08	2022/03/08	1,000,000	4.18%
19 ShenHong02[(7)]	3,200,000	2019/04/12	2022/04/12	3,200,000	4.27%
19 ShenHong04[(8)]	5,800,000	2019/10/23	2024/10/25	5,800,000	3.94%
19 ShenZheng01[(9)]	2,200,000	2019/01/16	2022/01/16	2,200,000	3.55%
19 ShenZheng03[(10)]	6,200,000	2019/03/11	2022/03/11	6,200,000	3.68%
19 ShenZheng05[(11)]	8,100,000	2019/05/09	2022/05/09	8,100,000	3.88%
19 Shenwan Hongyuan financial bond01[(12)]	6,000,000	2019/09/18	2022/09/18	5,996,156	3.43%
20 ShenZheng01[(13)]	4,000,000	2020/01/16	2022/01/16	4,000,000	3.40%
20 ShenZheng02[(14)]	2,000,000	2020/01/16	2023/01/16	2,000,000	3.55%
20 ShenZheng03[(15)]	1,000,000	2020/02/21	2022/02/21	1,000,000	3.03%
20 ShenZheng04[(16)]	3,000,000	2020/02/21	2023/02/21	3,000,000	3.20%
20 ShenZheng06[(17)]	4,100,000	2020/07/27	2023/07/27	4,100,000	3.49%
20 ShenZheng08[(18)]	3,200,000	2020/09/10	2023/09/10	3,200,000	3.76%
20 ShenZheng10[(19)]	5,700,000	2020/10/26	2023/10/26	5,700,000	3.68%
20 ShenZheng12[(20)]	17,000,00	2020/11/16	2022/11/16	1,700,000	3.55%
20 ShenZhengC2[(21)]	6,000,000	2020/04/23	2023/04/23	6,000,000	3.18%
20 ShenZhengC3[(22)]	6,000,000	2020/05/25	2023/05/25	6,000,000	3.25%
21 ShenHong01[(23)]	1,500,000	2021/03/04	2026/03/08	1,500,000	3.68%
21 ShenHong02[(24)]	500,000	2021/03/04	2028/03/08	500,000	3.95%
21 ShenHong04[(25)]	3,000,000	2021/07/13	2028/07/15	3,000,000	3.65%
21 ShenHong05[(26)]	500,000	2021/08/02	2024/08/04	500,000	2.99%
21 ShenHong06[(27)]	2,500,000	2021/08/02	2026/08/04	2,500,000	3.38%
21 ShenZheng01[(28)]	2,500,000	2021/04/29	2024/04/29	2,500,000	3.45%
21 ShenZheng02[(29)]	2,000,000	2021/04/29	2031/04/29	2,000,000	4.05%
21 ShenZheng03[(30)]	2,600,000	2021/05/24	2026/05/24	2,600,000	3.63%
21 ShenZheng04[(31)]	2,000,000	2021/05/28	2024/05/28	2,000,000	3.27%
21 ShenZheng05[(32)]	2,500,000	2021/05/28	2031/05/28	2,500,000	4.00%
21 ShenZheng06[(33)]	2,000,000	2021/07/21	2024/07/21	2,000,000	3.13%
21 ShenZheng07[(34)]	3,000,000	2021/07/21	2031/07/21	3,000,000	3.77%
21 ShenZheng08[(35)]	2,800,000	2021/07/28	2024/07/28	2,800,000	3.04%

48 Long-term bonds (continued)

As at 31 December 2022 (continued)

Name	Par value Original currency	Issuance date	Due date	Issue amount Original currency	Nominal interest rate
21 ShenZheng09[36]	4,200,000	2021/07/28	2026/07/28	4,200,000	3.38%
21 ShenZheng10[37]	3,000,000	2021/08/26	2024/08/26	3,000,000	3.02%
21 ShenZheng11[38]	3,000,000	2021/08/26	2031/08/26	3,000,000	3.75%
21 ShenZheng12[39]	4,800,000	2021/09/09	2024/09/09	4,800,000	3.05%
21 ShenZheng13[40]	1,000,000	2021/09/09	2026/09/09	1,000,000	3.40%
21 ShenZheng14[41]	2,300,000	2021/09/22	2023/09/22	2,300,000	2.95%
21 ShenZheng15[42]	2,300,000	2021/09/22	2024/09/22	2,300,000	3.10%
21 ShenZhengC1[43]	3,000,000	2021/01/21	2024/01/21	3,000,000	3.93%
21 ShenZhengC2[44]	3,800,000	2021/03/11	2024/03/11	3,800,000	3.94%
21 ShenZhengC3[45]	1,800,000	2021/12/27	2023/12/27	1,800,000	3.08%
21 ShenZhengC4[46]	1,200,000	2021/12/27	2024/12/27	1,200,000	3.20%
22 ShenHong01[47]	1,800,000	2022/03/08	2025/03/08	1,800,000	3.11%
22 ShenHong02[48]	1,200,000	2022/03/08	2027/03/08	1,200,000	3.50%
22 ShenHong03[49]	3,000,000	2022/04/26	2025/04/26	3,000,000	3.06%
22 ShenHong04[50]	1,000,000	2022/04/26	2027/04/26	1,000,000	3.45%
22 ShenHong06[51]	2,550,000	2022/08/31	2027/08/30	2,550,000	3.56%
22 ShenZheng01[52]	5,000,000	2022/01/21	2025/01/21	5,000,000	2.80%
22 ShenZheng02[53]	2,400,000	2022/01/21	2032/01/21	2,400,000	3.60%
22 ShenZheng03[54]	2,200,000	2022/02/23	2025/02/23	2,200,000	2.95%
22 ShenZheng05[55]	3,500,000	2022/03/24	2025/03/24	3,500,000	3.18%
22 ShenZheng06[56]	2,100,000	2022/03/24	2027/03/24	2,100,000	3.53%
22 ShenZheng07[57]	1,800,000	2022/05/23	2025/05/23	1,800,000	2.78%
22 ShenZheng08[58]	2,200,000	2022/05/23	2027/05/23	2,200,000	3.20%
22 ShenZhengC1[59]	3,000,000	2022/04/27	2025/04/27	3,000,000	3.19%
21 Shenwan Hongyuan International Finance Limited US dollar bond[60]	500,000	2021/07/14	2026/07/14	499,095	1.80%
22 Shenwan Hongyuan International Finance Limited US dollar bond[61]	300,000	2022/03/16	2025/03/16	299,967	2.63%
Structured Notes[62]	14,999,615	Note 48[62]	Note 48[62]	14,999,615	2.55%-3.15%

48 Long-term bonds (continued)

As at 31 December 2022 (continued)

Name	Book value as at 1 January 2022	Increase	Amount of amortization	Decrease	Book value as at 31 December 2022
17 ShenZheng01[(1)]	7,500,000	–	–	(7,500,000)	–
17 ShenZheng02[(2)]	500,000	–	–	–	500,000
18 ShenHong01[(3)]	32,501	–	–	–	32,501
18 ShenHong02[(4)]	6,499,977	–	10	–	6,499,987
18 ShenZheng03[(5)]	1,500,000	–	–	–	1,500,000
19 ShenHong01[(6)]	999,985	–	–	(999,985)	–
19 ShenHong02[(7)]	3,200,000	–	–	(3,200,000)	–
19 ShenHong04[(8)]	5,800,000	–	–	(5,800,000)	–
19 ShenZheng01[(9)]	2,200,000	–	–	(2,200,000)	–
19 ShenZheng03[(10)]	6,200,000	–	–	(6,200,000)	–
19 ShenZheng05[(11)]	8,100,000	–	–	(8,100,000)	–
19 Shenwan Hongyuan financial bond01[(12)]	5,998,992	–	–	(5,998,992)	–
20 ShenZheng01[(13)]	3,999,961	–	–	(3,999,961)	–
20 ShenZheng02[(14)]	1,999,673	–	314	–	1,999,987
20 ShenZheng03[(15)]	1,000,000	–	–	(1,000,000)	–
20 ShenZheng04[(16)]	3,000,000	–	–	–	3,000,000
20 ShenZheng06[(17)]	4,100,000	–	–	–	4,100,000
20 ShenZheng08[(18)]	3,192,345	–	4,529	–	3,196,874
20 ShenZheng10[(19)]	5,685,349	–	8,066	–	5,693,415
20 ShenZheng12[(20)]	1,696,846	–	–	(1,696,846)	–
20 ShenZhengC2[(21)]	5,996,301	–	2,831	–	5,999,132
20 ShenZhengC3[(22)]	5,998,027	–	1,415	–	5,999,442
21 ShenHong01[(23)]	1,500,000	–	–	–	1,500,000
21 ShenHong02[(24)]	500,000	–	–	–	500,000
21 ShenHong04[(25)]	3,000,000	–	–	–	3,000,000
21 ShenHong05[(26)]	500,000	–	–	–	500,000
21 ShenHong06[(27)]	2,500,000	–	–	–	2,500,000
21 ShenZheng01[(28)]	2,495,329	–	1,989	–	2,497,318
21 ShenZheng02[(29)]	1,995,533	–	478	–	1,996,011
21 ShenZheng03[(30)]	2,594,677	–	1,205	–	2,595,882
21 ShenZheng04[(31)]	1,996,136	–	1,592	–	1,997,728
21 ShenZheng05[(32)]	2,494,369	–	597	–	2,494,966
21 ShenZheng06[(33)]	1,995,508	–	1,759	–	1,997,267

48 Long-term bonds (continued)

As at 31 December 2022 (continued)

Name	Book value as at 1 January 2022	Increase	Amount of amortization	Decrease	Book value as at 31 December 2022
21 ShenZheng07[34]	2,992,431	–	792	–	2,993,223
21 ShenZheng08[35]	2,796,654	–	1,278	–	2,797,932
21 ShenZheng09[36]	4,187,221	–	2,795	–	4,190,016
21 ShenZheng10[37]	2,990,168	–	3,707	–	2,993,875
21 ShenZheng11[38]	2,989,258	–	1,113	–	2,990,371
21 ShenZheng12[39]	4,788,402	–	4,311	–	4,792,713
21 ShenZheng13[40]	997,472	–	539	–	998,011
21 ShenZheng14[41]	2,291,587	–	4,882	–	2,296,469
21 ShenZheng15[42]	2,291,136	–	3,251	–	2,294,387
21 ShenZhengC1[43]	2,991,277	–	4,245	–	2,995,522
21 ShenZhengC2[44]	3,788,225	–	5,372	–	3,793,597
21 ShenZhengC3[45]	1,792,411	–	3,821	–	1,796,232
21 ShenZhengC4[46]	1,194,929	–	1,696	–	1,196,625
22 ShenHong01[47]	–	1,800,000	–	–	1,800,000
22 ShenHong02[48]	–	1,200,000	–	–	1,200,000
22 ShenHong03[49]	–	3,000,000	–	–	3,000,000
22 ShenHong04[50]	–	1,000,000	–	–	1,000,000
22 ShenHong06[51]	–	2,550,000	–	–	2,550,000
22 ShenZheng01[52]	–	4,991,789	–	–	4,991,789
22 ShenZheng02[53]	–	2,394,791	–	–	2,394,791
22 ShenZheng03[54]	–	2,195,285	–	–	2,195,285
22 ShenZheng05[55]	–	3,492,500	–	–	3,492,500
22 ShenZheng06[56]	–	2,094,867	–	–	2,094,867
22 ShenZheng07[57]	–	1,795,823	–	–	1,795,823
22 ShenZheng08[58]	–	2,194,366	–	–	2,194,366
22 ShenZhengC1[59]	–	2,990,049	–	–	2,990,049
21 Shenwan Hongyuan International Finance Limited US dollar bond[60]	3,171,356	–	296,522	–	3,467,878
22 Shenwan Hongyuan International Finance Limited US dollar bond[61]	–	2,083,374	–	–	2,083,374
Structured Notes[62]	11,529,976	5,580,657	–	(2,111,018)	14,999,615
Interest payables	2,922,712	4,756,622	–	(5,094,594)	2,584,740
Total	160,486,724	44,120,123	359,109	(53,901,396)	151,064,560

48 Long-term bonds (continued)

As at 31 December 2021

Name	Par value Original currency	Issuance date	Due date	Issue amount Original currency	Nominal interest rate
16 ShenHong01	2,020,800	2016/04/26	2021/04/26	5,000,000	3.70%
16 ShenHong03	5,500,000	2016/09/09	2021/09/09	5,500,000	3.20%
17 ShenZheng01[(1)]	7,500,000	2017/02/17	2022/02/17	7,500,000	4.40%
17 ShenZheng02[(2)]	500,000	2017/02/17	2024/02/17	500,000	4.50%
18 ShenHong01[(3)]	500,000	2018/07/17	2023/07/17	500,000	3.20%
18 ShenHong02[(4)]	6,500,000	2018/07/17	2023/07/17	6,500,000	4.80%
18 ShenZheng02	3,000,000	2018/11/19	2021/11/19	3,000,000	4.20%
18 ShenZheng03[(5)]	1,500,000	2018/12/10	2023/12/10	1,500,000	4.08%
18 ShenZhengC2	4,600,000	2018/04/12	2023/04/12	4,600,000	5.35%
19 ShenHong01[(6)]	1,000,000	2019/03/08	2022/03/08	1,000,000	4.18%
19 ShenHong02[(7)]	3,200,000	2019/04/12	2022/04/12	3,200,000	4.27%
19 ShenHong04[(8)]	5,800,000	2019/10/25	2024/10/25	5,800,000	3.94%
19 ShenZheng01[(9)]	2,200,000	2019/01/16	2022/01/16	2,200,000	3.55%
19 ShenZheng03[(10)]	6,200,000	2019/03/11	2022/03/11	6,200,000	3.68%
19 ShenZheng05[(11)]	8,100,000	2019/05/09	2022/05/09	8,100,000	3.88%
19 ShenZheng07	1,000,000	2019/06/14	2021/06/14	1,000,000	3.90%
19 Shenwan Hongyuan financial bond01[(12)]	6,000,000	2019/09/18	2022/09/18	5,996,156	3.43%
20 ShenZheng01[(13)]	4,000,000	2020/01/16	2022/01/16	4,000,000	3.40%
20 ShenZheng02[(14)]	2,000,000	2020/01/16	2023/01/16	2,000,000	3.55%
20 ShenZheng03[(15)]	1,000,000	2020/02/21	2022/02/21	1,000,000	3.03%
20 ShenZheng04[(16)]	3,000,000	2020/02/21	2023/02/21	3,000,000	3.20%
20 ShenZheng06[(17)]	4,100,000	2020/07/27	2023/07/27	4,100,000	3.49%
20 ShenZheng08[(18)]	3,200,000	2020/09/10	2023/09/10	3,200,000	3.76%
20 ShenZheng09	2,200,000	2020/10/26	2021/11/05	2,200,000	3.16%
20 ShenZheng10[(19)]	5,700,000	2020/10/26	2023/10/26	5,700,000	3.68%
20 ShenZheng12[(20)]	1,700,000	2020/11/16	2022/11/16	1,700,000	3.55%
20 ShenZhengC2[(21)]	6,000,000	2020/04/23	2023/04/23	6,000,000	3.18%
20 ShenZhengC3[(22)]	6,000,000	2020/05/25	2023/05/25	6,000,000	3.25%
21 ShenHong01[(23)]	1,500,000	2021/03/08	2026/03/08	1,500,000	3.68%
21 ShenHong02[(24)]	500,000	2021/03/08	2028/03/08	500,000	3.95%
21 ShenHong04[(25)]	3,000,000	2021/07/15	2028/07/15	3,000,000	3.65%
21 ShenHong05[(26)]	500,000	2021/08/04	2024/08/04	500,000	2.99%
21 ShenHong06[(27)]	2,500,000	2021/08/04	2026/08/04	2,500,000	3.38%
21 ShenZheng01[(28)]	2,500,000	2021/04/29	2024/04/29	2,500,000	3.45%
21 ShenZheng02[(29)]	2,000,000	2021/04/29	2031/04/29	2,000,000	4.05%
21 ShenZheng03[(30)]	2,600,000	2021/05/24	2026/05/24	2,600,000	3.63%
21 ShenZheng04[(31)]	2,000,000	2021/05/28	2024/05/28	2,000,000	3.27%
21 ShenZheng05[(32)]	2,500,000	2021/05/28	2031/05/28	2,500,000	4.00%
21 ShenZheng06[(33)]	2,000,000	2021/07/21	2024/07/21	2,000,000	3.13%

48 Long-term bonds (continued)

As at 31 December 2021 (continued)

Name	Par value Original currency	Issuance date	Due date	Issue amount Original currency	Nominal interest rate
21 ShenZheng07[34]	3,000,000	2021/07/21	2031/07/21	3,000,000	3.77%
21 ShenZheng08[35]	2,800,000	2021/07/28	2024/07/28	2,800,000	3.04%
21 ShenZheng09[36]	4,200,000	2021/07/28	2026/07/28	4,200,000	3.38%
21 ShenZheng10[37]	3,000,000	2021/08/26	2024/08/26	3,000,000	3.02%
21 ShenZheng11[38]	3,000,000	2021/08/26	2031/08/26	3,000,000	3.75%
21 ShenZheng12[39]	4,800,000	2021/09/09	2024/09/09	4,800,000	3.05%
21 ShenZheng13[40]	1,000,000	2021/09/09	2026/09/09	1,000,000	3.40%
21 ShenZheng14[41]	2,300,000	2021/09/22	2023/09/22	2,300,000	2.95%
21 ShenZheng15[42]	2,300,000	2021/09/22	2024/09/22	2,300,000	3.10%
21 ShenZhengC1[43]	3,000,000	2021/01/21	2024/01/21	3,000,000	3.93%
21 ShenZhengC2[44]	3,800,000	2021/03/11	2024/03/11	3,800,000	3.94%
21 ShenZhengC3[45]	1,800,000	2021/12/27	2023/12/27	1,800,000	3.08%
21 ShenZhengC4[46]	1,200,000	2021/12/27	2024/12/27	1,200,000	3.20%
21 Shenwan Hongyuan International Finance Limited US dollar bond[60]	500,000	2021/07/14	2026/07/14	499,095	1.80%
Structured Notes[62]	11,386,179	Note 48[62]	Note 48[62]	10,517,834	3.25%-3.65%

48 Long-term bonds (continued)

As at 31 December 2021 (continued)

Name	Book value as at 1 January 2021	Increase	Amount of amortization	Decrease	Book value as at 31 December 2021
16 ShenHong01	2,020,800	–	–	(2,020,800)	–
16 ShenHong03	5,500,000	–	–	(5,500,000)	–
17 ShenZheng01[(1)]	7,500,000	–	–	–	7,500,000
17 ShenZheng02[(2)]	500,000	–	–	–	500,000
18 ShenHong01[(3)]	499,998	–	–	(467,497)	32,501
18 ShenHong02[(4)]	6,499,969	–	8	–	6,499,977
18 ShenZheng02	3,000,000	–	–	(3,000,000)	–
18 ShenZheng03[(5)]	1,500,000	–	–	–	1,500,000
18 ShenZhengC2	4,600,000	–	–	(4,600,000)	–
19 ShenHong01[(6)]	999,968	–	17	–	999,985
19 ShenHong02[(7)]	3,200,000	–	–	–	3,200,000
19 ShenHong04[(8)]	5,800,000	–	–	–	5,800,000
19 ShenZheng01[(9)]	2,200,000	–	–	–	2,200,000
19 ShenZheng03[(10)]	6,200,000	–	–	–	6,200,000
19 ShenZheng05[(11)]	8,100,000	–	–	–	8,100,000
19 ShenZheng07	1,000,000	–	–	(1,000,000)	–
19 Shenwan Hongyuan financial bond01[(12)]	5,997,576	–	1,416	–	5,998,992
20 ShenZheng01[(13)]	3,999,019	–	942	–	3,999,961
20 ShenZheng02[(14)]	1,999,359	–	314	–	1,999,673
20 ShenZheng03[(15)]	1,000,000	–	–	–	1,000,000
20 ShenZheng04[(16)]	3,000,000	–	–	–	3,000,000
20 ShenZheng06[(17)]	4,100,000	–	–	–	4,100,000
20 ShenZheng08[(18)]	3,187,817	–	4,528	–	3,192,345
20 ShenZheng09	2,194,886	–	–	(2,194,886)	–
20 ShenZheng10[(19)]	5,677,283	–	8,066	–	5,685,349
20 ShenZheng12[(20)]	1,693,238	–	3,608	–	1,696,846
20 ShenZhengC2[(21)]	5,993,471	–	2,830	–	5,996,301
20 ShenZhengC3[(22)]	5,996,612	–	1,415	–	5,998,027
21 ShenHong01[(23)]	–	1,500,000	–	–	1,500,000
21 ShenHong02[(24)]	–	500,000	–	–	500,000
21 ShenHong04[(25)]	–	3,000,000	–	–	3,000,000
21 ShenHong05[(26)]	–	500,000	–	–	500,000
21 ShenHong06[(27)]	–	2,500,000	–	–	2,500,000
21 ShenZheng01[(28)]	–	2,495,329	–	–	2,495,329
21 ShenZheng02[(29)]	–	1,995,533	–	–	1,995,533
21 ShenZheng03[(30)]	–	2,594,677	–	–	2,594,677
21 ShenZheng04[(31)]	–	1,996,136	–	–	1,996,136
21 ShenZheng05[(32)]	–	2,494,369	–	–	2,494,369
21 ShenZheng06[(33)]	–	1,995,508	–	–	1,995,508
21 ShenZheng07[(34)]	–	2,992,431	–	–	2,992,431
21 ShenZheng08[(35)]	–	2,796,654	–	–	2,796,654
21 ShenZheng09[(36)]	–	4,187,221	–	–	4,187,221
21 ShenZheng10[(37)]	–	2,990,168	–	–	2,990,168
21 ShenZheng11[(38)]	–	2,989,258	–	–	2,989,258

48 Long-term bonds (continued)

As at 31 December 2021 (continued)

Name	Book value as at 1 January 2021	Increase	Amount of amortization	Decrease	Book value as at 31 December 2021
21 ShenZheng12[39]	–	4,788,402	–	–	4,788,402
21 ShenZheng13[40]	–	997,472	–	–	997,472
21 ShenZheng14[41]	–	2,291,587	–	–	2,291,587
21 ShenZheng15[42]	–	2,291,136	–	–	2,291,136
21 ShenZhengC1[43]	–	2,991,277	–	–	2,991,277
21 ShenZhengC2[44]	–	3,788,225	–	–	3,788,225
21 ShenZhengC3[45]	–	1,792,411	–	–	1,792,411
21 ShenZhengC4[46]	–	1,194,929	–	–	1,194,929
21 Shenwan Hongyuan International Finance Limited US dollar bond[60]	–	3,171,356	–	–	3,171,356
Structured Notes[62]	11,862,549	25,450,004	–	(25,782,577)	11,529,976
Interest payables	2,345,410	4,682,190	–	(4,104,888)	2,922,712
Total	118,167,955	90,966,273	23,144	(48,670,648)	160,486,724

	As at 31 December 2022	As at 31 December 2021
Long-term bonds due within one year	**44,451,669**	42,947,167
Long-term bonds due after one year	**106,612,891**	117,539,557
Total	**151,064,560**	160,486,724

As approved by the Board and related regulatory authorities, the Group has issued the following bonds:

(1) 5-year corporate bond amounting to RMB7.5 billion on 27 February 2017.

(2) 7-year corporate bond amounting to RMB0.5 billion on 27 February 2017.

(3) 5-year corporate bond amounting to RMB0.5 billion on 17 July 2018 with put option on 17 July 2021.

(4) 5-year corporate bond amounting to RMB6.5 billion on 17 July 2018.

(5) 5-year corporate bond amounting to RMB1.5 billion on 10 December 2018.

(6) 3-year corporate bond amounting to RMB1.0 billion on 8 March 2019.

(7) 3-year corporate bond amounting to RMB3.2 billion on 12 April 2019.

48 Long-term bonds (continued)

(8) 5-year corporate bond amounting to RMB5.8 billion on 25 October 2019 with put option on 25 October 2022.

(9) 3-year corporate bond amounting to RMB2.2 billion on 16 January 2019.

(10) 3-year corporate bond amounting to RMB6.2 billion on 11 March 2019.

(11) 3-year corporate bond amounting to RMB8.1 billion on 9 May 2019.

(12) 3-year corporate bond amounting to RMB6.0 billion on 18 September 2019.

(13) 2-year corporate bond amounting to RMB4.0 billion on 16 January 2020.

(14) 3-year corporate bond amounting to RMB2.0 billion on 16 January 2020.

(15) 2-year corporate bond amounting to RMB1.0 billion on 21 February 2020.

(16) 3-year corporate bond amounting to RMB3.0 billion on 21 February 2020.

(17) 3-year corporate bond amounting to RMB4.1 billion on 27 July 2020.

(18) 3-year corporate bond amounting to RMB3.2 billion on 10 September 2020.

(19) 3-year corporate bond amounting to RMB5.7 billion on 26 October 2020.

(20) 2-year corporate bond amounting to RMB1.7 billion on 16 November 2020.

(21) 3-year subordinated bond amounting to RMB6.0 billion on 23 April 2020.

(22) 3-year subordinated bond amounting to RMB6.0 billion on 25 May 2020.

(23) 5-year corporate bond amounting to RMB1.5 billion on 8 March 2021 with put option on 8 March 2024.

(24) 7-year corporate bond amounting to RMB0.5 billion on 8 March 2021 with put option right 8 March 2026.

(25) 7-year corporate bond amounting to RMB3.0 billion on 15 July 2021.

(26) 3-year corporate bond amounting to RMB0.5 billion on 4 August 2021.

48 Long-term bonds (continued)

(27) 5-year corporate bond amounting to RMB2.5 billion on 2 August 2021.

(28) 3-year corporate bond amounting to RMB2.5 billion on 29 April 2021.

(29) 3-year corporate bond amounting to RMB2.0 billion on 29 April 2021.

(30) 5-year corporate bond amounting to RMB2.6 billion on 24 May 2021.

(31) 3-year corporate bond amounting to RMB2.0 billion on 28 May 2021.

(32) 10-year corporate bond amounting to RMB2.5 billion on 28 May 2021.

(33) 3-year corporate bond amounting to RMB2.0 billion on 21 July 2021.

(34) 10-year corporate bond amounting to RMB3.0 billion on 21 July 2021.

(35) 3-year corporate bond amounting to RMB2.8 billion on 28 July 2021.

(36) 5-year corporate bond amounting to RMB4.2 billion on 28 July 2021.

(37) 3-year corporate bond amounting to RMB3.0 billion on 26 August 2021.

(38) 10-year corporate bond amounting to RMB3.0 billion on 26 August 2021.

(39) 3-year corporate bond amounting to RMB4.8 billion on 9 September 2021.

(40) 5-year corporate bond amounting to RMB1.0 billion on 9 September 2021.

(41) 2-year corporate bond amounting to RMB2.3 billion on 22 September 2021.

(42) 3-year corporate bond amounting to RMB2.3 billion on 22 September 2021.

48 Long-term bonds (continued)

(43) 3-year subordinated bond amounting to RMB3.0 billion on 21 January 2021.

(44) 3-year subordinated bond amounting to RMB3.8 billion on 11 March 2021.

(45) 2-year subordinated bond amounting to RMB1.8 billion on 27 December 2021.

(46) 3-year subordinated bond amounting to RMB1.2 billion on 27 December 2021.

(47) 3-year corporate bond amounting to RMB1.8 billion on 8 March 2022.

(48) 5-year corporate bond amounting to RMB1.2 billion on 8 March 2022.

(49) 3-year corporate bond amounting to RMB3.0 billion on 26 April 2022.

(50) 5-year corporate bond amounting to RMB1.0 billion on 26 April 2022.

(51) 5-year corporate bond amounting to RMB2.55 billion on 31 August 2022.

(52) 3-year corporate bond amounting to RMB5.0 billion on 21 January 2022.

(53) 10-year corporate bond amounting to RMB2.4 billion on 21 January 2022.

(54) 3-year corporate bond amounting to RMB2.2 billion on 23 February 2022.

(55) 3-year corporate bond amounting to RMB3.5 billion on 24 March 2022.

(56) 5-year corporate bond amounting to RMB2.1 billion on 24 March 2022.

(57) 3-year corporate bond amounting to RMB1.8 billion on 23 May 2022.

(58) 5-year corporate bond amounting to RMB2.2 billion on 23 May 2022.

(59) 3-year subordinated bond amounting to RMB3.0 billion on 27 April 2022.

49 Share capital

(60) 5-year corporate bond amounting to US0.5 billion on 14 July 2021.

(61) 3-year corporate bond amounting to US0.3 billion on 16 March 2021.

(62) In 2022, the Group has issued 173 tranches of structured notes due over one year (For the year ended 31 December 2021: 208). At 31 December 2022, the structured notes issued by the Group used fixed rates or floating rates linked to certain stock indexes to accrue interest, in which the fixed rates range were 2.55%-3.15%(At 31 December 2021: 3.25%-3.65%).

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 2022 and 2021	
	Number of shares (Thousands)	Nominal value
Registered, issued and fully paid:		
A shares of RMB1 each	**22,535,945**	**22,535,945**
H shares of RMB1 each	**2,504,000**	**2,504,000**
Total	**25,039,945**	**25,039,945**

As at 31 December 2022 and 31 December 2021, the number of non-tradable restricted A shares of the Company was 437,244 shares and 437,244 shares respectively.

50 Reserves

(1) 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.

(2) 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.

(3) 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 Company 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 Company appropriates certain percentage from 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.

(4) Fair value reserve

The fair value reserve comprises:

- the cumulative net changes in the fair value of equity securities designated at FVOCI; and
- the cumulative net changes in fair values of debt securities at FVOCI until the assets are derecognized or impaired. This amount is reduced by the amount of loss allowance.

50 Reserves (continued)

(5) Translation reserve

The translation reserve mainly comprises foreign currency differences arising from the translation of the financial statements of foreign currencies.

	2022				
	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	**(582,013)**	**–**	**(582,013)**	**10,233**	**(571,780)**
– Reclassified to profit or loss	**125,409**	**–**	**125,409**	**(18,061)**	**107,348**
Share of other comprehensive income of associates	**8,336**	**–**	**8,336**	**–**	**8,336**
Exchange differences on translation of financial statements in foreign currencies	**–**	**337,103**	**337,103**	**63,447**	**400,550**
Items that will not be reclassified to profit or loss:					
Equity investment at fair value through other comprehensive income					
– Net changes in fair value	**(350,972)**	**–**	**(350,972)**	**–**	**(350,972)**
Total	**(799,240)**	**337,103**	**(462,137)**	**55,619**	**(406,518)**

	2021				
	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	(71,947)	–	(71,947)	(30,054)	(102,001)
– Reclassified to profit or loss	289,614	–	289,614	30,358	319,972
Share of other comprehensive income of associates	(2,189)	–	(2,189)	–	(2,189)
Exchange differences on translation of financial statements in foreign currencies	–	(89,080)	(89,080)	(33,452)	(122,532)
Items that will not be reclassified to profit or loss:					
Equity investment at fair value through other comprehensive income					
– Net changes in fair value	(262,942)	–	(262,942)	–	(262,942)
Total	(47,464)	(89,080)	(136,544)	(33,148)	(169,692)

51 Retained profits

As at 31 December 2022 and 31 December 2021, the consolidated retained profits attributable to the Company included an appropriation of RMB4,740 million and RMB4,381 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 common control.

Pursuant to the resolution of the general meeting of the shareholders dated 10 June 2022, the Company was approved 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 RMB2,503,995 thousand.

52 Transferred financial assets

In the ordinary course of business, the Group transfers recognized financial assets to third parties or clients in certain 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.

The Group receives payments for the transfer of the income right of margin financing and securities lending 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 2022		As at 31 December 2021	
	Carrying amount of transferred assets	**Carrying amount of related liabilities**	Carrying amount of transferred assets	Carrying amount of related liabilities
Repurchase agreements	**1,032,269**	**973,923**	1,088,694	1,001,909
Securities lending	**488,940**	**–**	2,614,148	–

53 Interests in structured entities

(1) Interests in structured entities consolidated by the Group

The Group had consolidated certain structured entities, mainly asset management products. For those structured entities where the Group is involved as manager or as investor, the Group assesses the controlling power according to its accounting policies.

As at 31 December 2022 and 31 December 2021, the net assets of the consolidated asset management products are RMB24,310,802 thousand and RMB30,791,999 thousand respectively.

Interests held by other investors in these consolidated structured entities were classified as net investment gains or interest expenses of the consolidated statement 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 statement of financial position.

As at 31 December 2022 and 31 December 2021, the Group reassessed the control of structured entities and decided whether the Group is still a principal.

(2) Structured entities sponsored by third party institutions which the Group does not consolidate but holds an interest in

The carrying amount of the related accounts in the consolidated statement 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 2022 and 31 December 2021, which are listed as below:

	As at 31 December 2022	As at 31 December 2021
Financial assets at fair value through profit or loss	**86,966,625**	89,336,268
Financial assets measured at amortized cost	**3,825,557**	4,556,683
Total	**90,792,182**	93,892,951

53 Interests in structured entities (continued)

(3) 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 statement 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 2022 and 31 December 2021, which are listed as below:

	As at 31 December 2022		
	Financial assets at fair value through profit or loss	**Financial Assets measured at amortized cost**	**Total**
Funds	**1,852,851**	**–**	**1,852,851**
Asset management products and others	**946,233**	**–**	**946,233**
Total	**2,799,084**	**–**	**2,799,084**

	As at 31 December 2021		
	Financial assets at fair value through profit or loss	Financial Assets measured at amortized cost	Total
Funds	1,532,211	–	1,532,211
Asset management products and others	1,932,349	–	1,932,349
Total	3,464,560	–	3,464,560

During the years ended 31 December 2022 and 2021, the Group recognized net income from asset management business of RMB1,251,808 thousand and RMB1,380,199 thousand, respectively. Net income is analysed in Note 5.

54 Contingencies

As at 31 December 2022 and 31 December 2021, the Group was not involved in any material lawsuits, arbitration or administrative proceedings that if adversely determined, the Group expects would materially and adversely affect its financial position or results of operations.

55 Related party relationships and transactions

(1) Relationship of related parties

(a) Major shareholders

Major shareholders include shareholders of the Company with 5% or above ownership. Share percentage in the Company:

	Place of incorporation	Place of operating	As at 31 December 2022	As at 31 December 2021
China Jianyin Investment Ltd.	PRC	Beijing	26.34%	26.34%
Central Huijin Investment Ltd.	PRC	Beijing	20.05%	20.05%

(b) Associates and joint ventures of the Group

The detailed information of the Group's associates and joint ventures is set out in Note 23.

(c) Other related parties

Other related parties can be individuals or enterprises, which include: members of the Board of Directors, the Board of Supervisors and senior management, and close family members of such individuals.

(2) Related parties transactions and balances

(a) Transactions between the Group and major shareholders:

	For the year ended 31 December	
	2022	2021
Transactions during the year:		
Fee and commission income	4,340	368
Net investment gains	4,695	1,600

55 Related party relationships and transactions (continued)

(2) Related parties transactions and balances (continued)

(b) Transactions between the Group with associates, joint ventures and other related parties:

	As at 31 December 2022	As at 31 December 2021
Balances at the end of the year:		
Cash and bank balances	**37,137,440**	51,090,398
Financial assets sold under repurchase agreements	**25,529,805**	20,108,448
Financial assets at fair value through profit or loss	**5,042,737**	9,507,143
Derivative financial assets	**233,185**	117,984
Financial assets measured at amortized cost	**126,809**	191,035
Financial assets at fair value through other comprehensive income	**1,520,947**	323,864
Financial assets held under resale agreements	**–**	640,973
Accounts receivable	**73,707**	78,564
Right-of-use assets	**17,123**	17,129
Other receivables and prepayments	**8,493**	6,143
Loans and borrowings	**120,173**	670,621
Other payables and accruals	**18,480**	25,993
Derivative financial liabilities	**158,430**	62,872
Lease liabilities	**20,105**	18,042
Accounts payable to brokerage clients	**167,890**	1,072,198

	For the year ended 31 December	
	2022	2021
Transactions during the year:		
Interest income	**845,275**	960,269
Net investment gains	**661,383**	790,168
Fee and commission income	**394,224**	431,947
Interest expenses	**191,737**	73,986
Fee and commission expenses	**71,584**	71,876
Other operating expenses	**16,143**	17,715
Other income and gains	**11,018**	9,103
Depreciation and amortization expense	**11,232**	6,337

For the years ended 31 December 2022 and 31 December 2021, capital injection made by the Group into the associates and joint ventures are RMB105,850 thousand and RMB343,405 thousand, respectively.

For the years ended 31 December 2022 and 31 December 2021, dividend received from associates and joint ventures are RMB479,689 thousand and RMB200,536 thousand, respectively.

55 Related party relationships and transactions (continued)

(3) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and supervisors as, is as follows:

	As at 31 December 2022	As at 31 December 2021
Short-term employee benefits		
– Fees, salaries, allowances and bonuses	**25,163**	22,757
Post-employment benefits		
– Contributions to pension scheme	**575**	424
Total	**25,738**	23,181

Total remuneration is included in "staff costs" (see Note 11).

The emoluments paid or payable to 5 (2021: 4) senior management personnel were with the following bands:

	2022 Number of individuals	2021 Number of individuals
HKDnil to HKD1,000,000	**1**	–
HKD1,000,001 to HKD2,000,000	**–**	1
HKD2,000,001 to HKD3,000,000	**1**	–
HKD3,000,001 to HKD4,000,000	**–**	3
HKD4,000,001 to HKD5,000,000	**3**	–

56 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;

56 Segment reporting (continued)

— 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 over-the counter derivatives services to institutional clients;

— Investment management segment primarily includes asset management, mutual fund management, private equity fund management services to clients.

Business segments

For the year ended 31 December 2022

	Enterprise finance		Personal finance	Institutional services and trading	Investment management	Segment total
	Investment banking	Principal investment				
Fee and commission income	1,900,637	48,831	5,229,333	1,986,001	1,264,152	10,428,954
Interest income	47,187	337,553	5,977,694	3,247,343	233,058	9,842,835
Net investment gains	379,729	671,375	(91,721)	3,845,485	277,065	5,081,933
Other income and gains	8,427	171,287	112,166	5,888,224	41,867	6,221,971
Total revenue and other income	2,335,980	1,229,046	11,227,472	14,967,053	1,816,142	31,575,693
Segment expenses	1,550,884	1,581,217	9,650,942	14,702,952	1,785,178	29,271,173
Including: Interest expenses	20,313	1,149,977	2,920,329	5,424,703	235,213	9,750,535
Provision for impairment losses	1,819	17,651	148,551	634,015	636,083	1,438,119
Share of profit of associates and joint ventures	–	745,443	–	–	–	745,443
Profit before income tax	785,096	393,272	1,576,530	264,101	30,964	3,049,963
Other segment information:						
Depreciation and amortization expenses	65,014	22,919	477,176	150,066	34,332	749,507
Capital expenditure paid	7,520	237,350	160,926	42,426	18,082	466,304
As at 31 December 2022						
Segment assets	11,439,758	34,152,699	158,212,397	388,398,768	17,451,979	609,655,601
Deferred tax assets						3,461,424
Segment total assets						613,117,025
Segment liabilities	618,895	27,981,800	116,210,039	334,954,011	16,667,200	496,431,945
Deferred tax liabilities						5,387
Segment total liabilities						496,437,332

56 Segment reporting (continued)

Business segments (continued)

For the year ended 31 December 2021

	Enterprise finance		Personal finance	Institutional services and trading	Investment management	Segment total
	Investment banking	Principal investment				
Fee and commission income	1,860,504	17,379	6,938,640	2,172,465	1,402,680	12,391,668
Interest income	58,980	383,165	6,826,627	3,494,377	377,799	11,140,948
Net investment gains	315,283	1,050,120	306,763	8,222,661	459,778	10,354,605
Other income and gains	3,572	309,091	112,205	11,841,984	17,397	12,284,249
Total revenue and other income	2,238,339	1,759,755	14,184,235	25,731,487	2,257,654	46,171,470
Segment expenses	1,359,816	1,800,158	9,975,135	20,724,122	2,014,115	35,873,346
Including: Interest expenses	1,851	1,100,799	2,548,267	5,706,400	778,814	10,136,131
Provision for impairment losses	511	78,538	27,716	287,366	244,847	638,978
Share of profit of associates and joint ventures	–	780,998	–	–	–	780,998
Profit before income tax	878,523	740,595	4,209,100	5,007,365	243,539	11,079,122
Other segment information:						
Depreciation and amortization expenses	47,778	9,723	402,381	162,216	32,860	654,958
Capital expenditure paid	9,022	236,785	154,151	42,625	19,244	461,827
As at 31 December 2021						
Segment assets	3,266,222	39,078,753	173,192,125	357,756,803	25,147,161	598,441,064
Deferred tax assets						2,570,403
Segment total assets						601,011,467
Segment liabilities	650,560	32,070,863	143,663,716	294,674,489	22,869,947	493,929,575
Deferred tax liabilities						27,298
Segment total liabilities						493,956,873

The Group's non-current assets are mainly located in mainland China. The Group's revenue is substantially derived from its operations in mainland China.

57 Fair value information

(1) Fair value of financial instruments

The Group adopts the following methods and assumptions when evaluating fair value:

(a) 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, short-term debt instruments issued, loans and borrowings under current liabilities 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.

(b) Financial assets and liabilities at fair value through profit or loss, derivatives and financial assets at fair value through other comprehensive income are stated at fair value. 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.

(c) The fair value of non-current debt investment at amortized cost and long-term bonds are determined with reference to the available market prices or quotes from brokers or agents. If there is no quoted market price in an active market, the Group refers to the yield of financial instruments with similar characteristics such as credit risk and maturity, to estimate the fair value using pricing models or discounted cash flow.

(d) Accounts receivable, other receivables and prepayments, margin accounts receivable, and accounts payable to brokerage clients are mainly within one year. Accordingly, the carrying amounts approximate the fair values.

(2) 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 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

- Level 3 valuations: Fair value measured using significant unobservable inputs.

57 Fair value information (continued)

(2) 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 31 December 2022 and 31 December 2021, by the level in the fair value hierarchy into which the fair value measurement is categorized. 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 2022			
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
– Debt securities	**37,243,424**	**104,868,103**	**1,119,695**	**143,231,222**
– Equity securities	**76,317,699**	**6,718,708**	**6,920,634**	**89,957,041**
– Hybrid instruments	**761,765**	**46,911**	**1,783,042**	**2,591,718**
– Asset management products and others	**416,378**	**34,976,034**	**7,846,647**	**43,239,059**
Financial assets at fair value through other comprehensive income				
– Debt securities	**7,665,347**	**46,464,530**	**380,970**	**54,510,847**
– Equity securities	**1,675,764**	**92,966**	**261,000**	**2,029,730**
Derivative financial assets	**296,985**	**1,286,150**	**6,614,147**	**8,197,282**
Total	**124,377,362**	**194,453,402**	**24,926,135**	**343,756,899**
Liabilities				
Financial liabilities at fair value through profit or loss	**19,696**	**5,474,409**	**6,894**	**5,500,999**
Derivative financial liabilities	**300,108**	**1,021,934**	**3,427,642**	**4,749,684**
Total	**319,804**	**6,496,343**	**3,434,536**	**10,250,683**

57 Fair value information (continued)

(2) Fair value hierarchy (continued)

	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
– Debt securities	31,549,695	114,049,033	705,388	146,304,116
– Equity securities	60,123,823	5,981,408	6,066,107	72,171,338
– Hybrid instruments	–	1,432,895	1,983,023	3,415,918
– Asset management products and others	212,826	44,725,681	5,746,580	50,685,087
Financial assets at fair value through other comprehensive income				
– Debt securities	4,621,584	32,072,356	431,459	37,125,399
– Equity securities	2,362,808	–	261,000	2,623,808
Derivative financial assets	148,181	660,234	1,991,885	2,800,300
Total	99,018,917	198,921,607	17,185,442	315,125,966
Liabilities				
Financial liabilities at fair value through profit or loss	320,998	5,845,997	–	6,166,995
Derivative financial liabilities	120,393	525,495	6,663,967	7,309,855
Total	441,391	6,371,492	6,663,967	13,476,850

For the years ended 31 December 2022 and 31 December 2021, there was no significant transfer between Level 1 and Level 2.

For the years ended 31 December 2022 and 31 December 2021, there were transfers into and out of Level 3 due to the delisting of equity securities and the lifting of restricted stocks respectively. The Group's policy is to recognize transfer between levels of fair value hierarchy at the end of the year in which they occur.

(a) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at 31 December 2022 and 31 December 2021. 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 1. Instruments included in Level 1 comprise primarily securities traded on exchanges and fund investments traded through exchanges or fund management companies.

57 Fair value information (continued)

(2) Fair value hierarchy (continued)

(b) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize 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 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

(c) Valuation methods for specific investments

As at 31 December 2022 and 31 December 2021, the Group's valuation methods for specific investments are as follows:

(i) For exchange-listed equity securities, fair value is determined based on the closing price of the equity securities as at 31 December 2022 and 31 December 2021 within bid-ask spread. If there is no quoted market price as at 31 December 2022 and 31 December 2021, valuation techniques are used to determine the fair value.

(ii) For exchange-listed investment funds, fair value is determined based on the closing price within bid- ask spread as at 31 December 2022 and 31 December 2021 or the most recent trading date. For unlisted open-end funds and asset management products, fair value is determined by quoted price which is based on the net asset value as at 31 December 2022 and 31 December 2021.

(iii) 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 31 December 2022 and 31 December 2021.

(iv) For debt securities traded through the inter-bank bond market and the OTC market, fair values are determined by valuation techniques.

(v) For futures traded through exchanges, fair value is determined based on the closing price of the futures as at 31 December 2022 and 31 December 2021.

57 Fair value information (continued)

(2) Fair value hierarchy (continued)

(d) Financial instruments in Level 3

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:

	For the year ended 31 December 2022						
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income – debt instruments	Financial assets at fair value through other comprehensive income – equity instruments	Derivative financial assets	Financial liabilities at fair value through profit or loss	Derivative financial liabilities	Total
As at 1 January 2022	14,501,098	431,459	261,000	1,991,885	–	6,663,967	23,849,409
Gains or losses for the year	1,871,571	(6,453)	–	4,719,225	(53,700)	(1,628,301)	4,902,342
Changes in fair value recognized in other comprehensive income	–	(194,861)	–	–	–	–	(194,861)
Purchases	12,667,798	122,431	–	12,274	44,559	315,825	13,162,887
Sales and settlements	(8,078,603)	(1,443)	–	(109,237)	–	(1,923,849)	(10,113,132)
Transfer in	1,748,310	29,837	–	–	16,035	–	1,794,182
Transfer out	(5,040,156)	–	–	–	–	–	(5,040,156)
As at 31 December 2022	17,670,018	380,970	261,000	6,614,147	6,894	3,427,642	28,360,671
Realized gains or losses included in profit or loss for the year							
– investment gains	3,866,287	(6,453)	–	(97,926)	–	191,700	3,953,608
Unrealized gains or losses included in profit or loss for the year							
– gain or losses on the fair value change	(1,994,716)	–	–	4,817,151	53,700	1,436,601	4,312,736

57 Fair value information (continued)

(2) Fair value hierarchy (continued)

(d) Financial instruments in Level 3 (continued)

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 (continued):

	For the year ended 31 December 2021						
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income – debt instruments	Financial assets at fair value through other comprehensive income – equity instruments	Derivative financial assets	Financial liabilities at fair value through profit or loss	Derivative financial liabilities	Total
As at 1 January 2021	9,029,653	–	260,000	–	–	–	9,289,653
Gains or losses for the year	463,349	(5,456)	–	1,366,316	–	2,501,067	4,325,276
Changes in fair value recognized in other comprehensive income	–	(104,957)	–	–	–	–	(104,957)
Purchases	9,632,222	227,709	1,000	32,948	–	2,118,413	12,012,292
Sales and settlements	(5,769,864)	(1,154)	–	(1,027,230)	–	(67,530)	(6,865,778)
Transfer in	1,236,406	315,317	–	1,619,851	–	2,112,017	5,283,591
Transfer out	(90,668)	–	–	–	–	–	(90,668)
As at 31 December 2021	14,501,098	431,459	261,000	1,991,885	–	6,663,967	23,849,409
Realized gains or losses included in profit or loss for the year – investment gains	725,693	(5,456)	–	184,251	–	(67,321)	837,167
Unrealized gains or losses included in profit or loss for the year – gain or losses on the fair value change	(262,344)	–	–	1,182,065	–	(2,433,746)	(1,514,025)

As for the financial instruments in Level 3, the price is primarily determined by the comparable companies methods, discounted cash flow model, Black-Scholes option pricing model and other methods. Determinations to classify fair value measures within Level 3 of the valuation hierarchy are primarily based on the significance of the unobservable inputs which mainly include liquidity discount, volatility, risk-adjusted discount and market multiplier.

58 Financial instruments risk management

Risk analysis and control

The risks faced by the Group in its daily operation and management mainly include market risk, credit risk and liquidity risk.

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.

(1) 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 trading, 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.

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

Measurement of expected credit loss

The measurement of the ECL allowance for financial instruments, including investments in financial assets measured at amortized cost (including margin accounts, reverse repurchase agreements), and FVOCI is an area that requires the use of models and assumptions about the future economic conditions and credit behaviour of the clients (such as the likelihood of customers defaulting and the resulting losses).

The Group has applied a 'three-stage' impairment model for ECL measurement based on changes in credit quality since the initial recognition of financial instruments as summarized below:

— A financial instrument that is not credit-impaired on initial recognition is classified as "Stage 1" and has its credit risk continuously monitored by the Group;

— If a significant increase in credit risk ("SICR") since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit-impaired;

— If the financial instrument is credit-impaired, the financial instrument is moved to "Stage 3".

Stage 1: The Group measures the loss allowance for a financial instrument at an amount equal to the next 12 months ECL. Stage 2 and 3: The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. The ECL is always measured on a lifetime basis.

For financial instruments under Stages 1 and Stage 2, including investments in financial assets measured at amortized cost (including margin accounts, stock-pledged repo), and FVOCI, the ECL is measured using the risk parameter modelling approach that incorporated key parameters, including Probability of Default ("PD"), Loss Given Default ("LGD"), Loss Ratio ("LR") and Exposure at Default ("EAD") taking into consideration of forward-looking factors. For credit-impaired financial assets classified under Stage 3, the management assesses the credit loss allowances by estimating the cash flows expected to arise from the financial assets.

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

Measurement of expected credit loss (continued)

The measurement of ECL adopted by the management according to IFRS 9, involves judgements, assumptions and estimations, including:

- Selection of the appropriate models and assumptions;
- Determination of the criteria for significant increase in credit risk ("SICR"), definition of default and credit impairment;
- Establishment of the number and relative weightings of forward-looking scenarios;
- Forecasts of the discounted cash flow of financial instruments under Stage 3.

Measuring ECL – Inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month (12M) or Lifetime basis depending on whether a SICR has occurred since initial recognition or whether an asset is considered to be credit-impaired.

For debt securities investments, ECL is the discounted product of the PD, LGD and EAD after considering the forward-looking impact. For financing assets, ECL are the discounted product of the LR and EAD after considering the forward-looking impact.

- PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. For debt securities investments, the Group determines the PD by the appropriate external credit ratings.
- LGD represents the Group's expectation of the extent of loss on a defaulted exposure. For debt securities investments, LGD is determined based on the type of securities.
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).
- LR represents the Group's expectation of the likelihood of default and extent of loss on exposure. The Group uses historical loss rates and assesses their appropriateness. The Group determines LR of financing assets based on factors including: the coverage ratio of related loan to underlying collateral value, the volatility of such collateral's valuation and the realized value of collateral upon forced liquidation over the realization period.

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

The criteria of Significant increase in credit risk (SICR)

The Group evaluates financial instruments to identify whether a SICR has occurred since initial recognition at each financial statement date. An ECL allowance of financial assets is recognized according to the stage in which the assets are classified. This took into account of what reasonable information, including forward looking information, is available to identify whether a SICR had arisen. The Group considers a financial instrument to have experienced a SICR when one or more of the following quantitative, qualitative or backstop criteria have been met.

For financing assets, the Group sets differentiated collateral to loan ratios as triggering margin calls and force liquidation thresholds (force liquidation thresholds generally no less than 130%) against different exposures related to these transactions, based on the obligors' credit quality, operation situation, contract maturity date, the volatility and liquidity of related collateral securities, and related performance information.

For securities financing business, the Group considered securities financing business to have experienced a SICR if collateral to loan ratios is lower than the force liquidation thresholds, which means collateral valuation has declined or the quality of the third-party collateral is significantly reduced. As at 31 December 2022 and 31 December 2021, over 90% of the securities financing balances of the Group were covered by collateral value of over the force liquidation thresholds of related loan or repo amounts.

For debt securities investments, the Group makes use of open market credit ratings. The Group considers debt securities investments to have experienced a SICR if the following scenarios occurs: the debt securities with an initial rating above AA level (inclusive) downgraded below AA (exclusive); the debt securities with an initial rating below AA level (exclusive) been downgraded; or the debt securities are on the warning list. As at 31 December 2022 and 31 December 2021, the vast majority of the debt securities investments of the Group have been rated as investment grade or above and there was no SICR.

Financial instruments are considered to have a low risk when the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group has used the low credit risk exemption for financial instruments, such as cash and bank accounts, settlement reserve, refundable deposits, financial assets held under resale agreements collateralized by debt securities.

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

Definition of default and credit impairment

The Group assesses whether a financial instrument has been credit-impaired in accordance with IFRS 9, in a manner consistent with its internal credit risk policies for managing financial instruments. The consideration includes qualitative criteria, quantitative criteria and upper limit. The Group defines a financial instrument as credit-impaired, which is fully aligned with the definition of "in default", when it meets one or more of the following criteria:

- The borrower is more than 90 days past due on its contractual payments;
- For securities financing business, forced liquidation of a client's position is triggered based on a predetermined threshold of loan to collateral ratios; whereby the collateral valuation falls short of the related loan or repo amounts;
- The latest external ratings of issuers of debt securities or debt securities themselves are in default grade;
- The debtor, issuer, borrower or counterparty is in significant financial difficulty;
- An active market for that financial asset has disappeared because of debtor's financial difficulties;
- Concessions have been made by the Group relating to the debtor, issuer, borrower or counterparty's financial difficulty;
- It is becoming probable that the debtor, issuer, borrower, or counterparty will enter bankruptcy or undertake a financial restructuring, etc.

When a financial asset is considered to be credit-impaired, it may be the result of multiple events, not due to a separately identifiable event.

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

Forward-looking information

The assessment of SICR and the calculation of ECL both incorporate forward-looking information.

When considering forward-looking information, the Group is not required to forecast the situation of financial instruments throughout their expected lifespan. The level of judgment that the Group needs to apply when estimating credit losses depends on the availability of specific information. The degree of the judgment that the Group must use when estimating ECL will increase when the prediction time span is longer or the availability of specific information is lower.

Based on the analysis of various business characteristics and historical data, the Group identified key economic indicators that affect the ECL of various businesses, mainly including the growth rate of Domestic GDP, cumulative year-on-year completion of fixed assets investment, the fluctuation of the Shanghai Composite index and the growth rate of Consumer Price Index(CPI). The Group determines the relationship between these economic indicators and macro factors through regression analysis, and makes forward-looking adjustments to the ECL of various businesses.

In addition to the base economic scenario, the Group's expert team also provided other possible scenarios along with scenario weightings. The number of other scenarios used is set based on an analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each financial statement date.

At 31 December 2022 and 31 December 2021, for all portfolios the Group concluded that three scenarios appropriately captured non-linearities of key economic variables. The scenario weightings are determined by a combination of statistical analysis and expert judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The number of scenarios and their attributes are reassessed at each financial statement date.

The assessment of SICR is performed using the Lifetime PD under each of the base and other scenarios multiplied by the associated scenario weighting, as well as qualitative criteria, quantitative criteria and upper limit. The Group measures ECL as either a probability weighted 12-month ECL or a probability weighted lifetime ECL. These probability weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting.

At 31 December 2022 and 31 December 2021, comprehensively considering of the current economic situation, and various supporting policies adopted by the government, the Group updated relevant economic indicators for forward-looking measurement based on the latest economic forecasts. As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes as at the financial statement date.

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

Sensitivity analysis

The allowance for credit losses is sensitive to the inputs used in internally developed models, macroeconomic variables in the forward-looking forecasts, weighting applied to economic scenarios and other factors considered when applying expert judgement. Changes in these inputs, assumptions and judgements are likely to have an impact on the measurement of ECLs.

A sensitivity analysis is performed on key economic indicators, economic scenarios and weightings assigned use in forward-looking measurement. When increasing the weighting applied to the optimistic scenario by 10% and a corresponding reduction of 10% weighting applied to the base scenario, or shifting 10% of the weighting from the base case scenario to the pessimistic scenario, the impact on ECL recognized is not significant.

Meanwhile, the Group also uses sensitivity analysis to monitor the impact of changes to the credit risk classification of the financial assets on ECL. As at 31 December 2022 and 31 December 2021, assuming there was no significant increase in credit risk since initial recognition, and all the financial assets in Stage 2 were moved to Stage 1, the decremental impact on ECL to be recognized in financial statements is not significant.

Collateral and other credit enhancements

The Group employed a range of policies and credit enhancements to mitigate credit risk exposure to an acceptable level. The most common of these is accepting collateral for funds advanced or guarantee. The Group determined the type and amount of collateral according to the credit risk evaluation of counterparties. The collateral under margin financing and reverse repurchase agreements is primarily stocks, debt securities, funds etc. The management would test the market value of collateral periodically, and send margin calls according to related agreements, also monitor the market value fluctuation of collaterals when reviewing the measurement of the loss allowance.

Loss Ratio and impairment provision of securities financing business

Based on the obligors' credit quality, contract maturity date, the related collateral securities information, which including the sector situation, liquidity discount factor, concentration, volatility and related information, the Group sets differentiated collateral to loan ratios (generally no less than 140%) as triggering margin calls and force liquidation thresholds (collateral to loan ratios generally no less than 130%) against different exposures related to these transactions.

- For financing assets exposures with collateral to loan ratios above 150% and those not past due are classified under Stage 1.

- For financing assets exposures with collateral to loan ratios fall below 150% of the pre-determined force liquidation thresholds but above 100%; or those past due for no more than 90 days are considered to be with significant increase in credit risks and are classified under Stage 2.

- For financing assets exposures with collateral to loan ratios fall below 100%; or those past due for more than 90 days are classified under Stage 3.

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

Loss Ratio and impairment provision of securities financing business (continued)

Loss ratio applied by the Group on its Financing Assets under the 3 stages were as follows:

Stage 1: 0.00% to 0.58% according to the different collateral ratios;

Stage 2: No less than 0.60%;

Stage 3: Discounted cash flow on individual exposure.

Credit risk exposure analysis

The Group considered the credit risk of the financial assets was relatively low. As at 31 December 2022 and 31 December 2021, majority of the financial assets' ratio to underlying collateral value was over the force liquidation level. As at 31 December 2022 and 31 December 2021, most of the debt securities investments of the Group were rated at investment grade or above.

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:

	31 December 2022	31 December 2021
Refundable deposits	**26,517,378**	29,113,660
Accounts receivable	**5,248,559**	4,093,737
Other receivables and prepayments	**591,914**	954,645
Other non-current assets	**9,944**	–
Margin accounts receivable	**61,299,617**	76,296,755
Financial assets held under resale agreements	**17,440,364**	25,398,184
Financial assets at fair value through profit or loss	**148,586,733**	152,418,406
Derivative financial assets	**8,197,282**	2,800,300
Financial assets measured at amortized cost	**4,117,369**	5,021,564
Financial assets at fair value through other comprehensive income	**54,510,847**	37,125,399
Clearing settlement funds	**21,106,241**	15,261,942
Cash held on behalf of brokerage clients	**89,528,669**	86,622,841
Bank balances	**32,095,499**	31,038,797
Total maximum credit risk exposure	**469,250,416**	466,146,230

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

The movements of loss allowance are mainly affected by:

— Increases are primarily attributable to new financial instruments recognized, changes in PD, LGD and expected cash flow recovery rate affected by market changes, the resulted movements amongst Stage 1, Stage 2 and Stage 3, and updates of parameters and assumptions in the ECL model;

— Reversals include the reversals caused by the redemption or disposal of financial assets, the impact of changes in model parameters and assumption;

— Transfers between stages due to financial instruments experiencing significant increases (or decreases) in credit risk or becoming credit-impaired, and the corresponding measurement basis changes between the 12-month (12M) or the Lifetime basis; and

— Foreign exchange and other movements include changes in foreign exchange translations for assets denominated in foreign currencies and other movements.

	As at 1 January 2022	Increases	Reversals	Write-offs	Others	As at 31 December 2022
Provision for impairment losses on cash and bank balances	1,269	3,848	(65)	–	149	5,201
Provision for impairment losses on margin accounts receivable[(a)]	378,786	65,247	(64,725)	–	(1,284)	378,024
Provision for impairment losses on accounts receivable	620,654	591,051	(149,006)	(1,500)	(202,670)	858,529
Provision for impairment losses on financial assets held under resale agreements[(b)]	1,132,234	737,700	(40,664)	–	8	1,829,278
Provision for impairment losses on financial assets measured at amortized cost[(c)]	577,117	14,706	(5,013)	–	3,225	590,035
Provision for impairment losses on financial assets at fair value through other comprehensive income[(d)]	499,213	306,799	(74,083)	–	13,549	745,478
Provision for impairment losses on other receivables and prepayments	307,556	48,362	(10,013)	–	(20,597)	325,308
Total	3,516,829	1,767,713	(343,569)	(1,500)	(207,620)	4,731,853

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

	As at 1 January 2021	Increases	Reversals	Write-offs	Others	As at 31 December 2021
Provision for impairment losses on cash and bank balances	3,699	166	(2,596)	–	–	1,269
Provision for impairment losses on margin accounts receivable[(a)]	340,239	170,675	(132,045)	–	(83)	378,786
Provision for impairment losses on accounts receivable	557,637	63,017	–	–	–	620,654
Provision for impairment losses on financial assets held under resale agreements[(b)]	988,979	278,006	(134,751)	–	–	1,132,234
Provision for impairment losses on financial assets measured at amortized cost[(c)]	539,661	51,081	(12,832)	–	(793)	577,117
Provision for impairment losses on financial assets at fair value through other comprehensive income[(d)]	289,448	276,000	(64,698)	–	(1,537)	499,213
Provision for impairment losses on other receivables and prepayments	279,311	29,948	–	–	(1,703)	307,556
Total	2,998,974	868,893	(346,922)	–	(4,116)	3,516,829

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

(a) Margin accounts receivable

	Stage of ECL			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL (Credit-impaired)**	**Total**
As at 1 January 2022	**114,598**	**8,721**	**255,467**	**378,786**
Increases	**51,723**	**13,502**	**22**	**65,247**
Reversals	**(59,584)**	**(1,943)**	**(3,198)**	**(64,725)**
Transfer:				
Stage 1 to stage 2	**(8,751)**	**8,751**	**–**	**–**
Stage 2 to stage 1	**5,553**	**(5,553)**	**–**	**–**
Stage 2 to stage 3	**–**	**(106)**	**106**	**–**
Stage 3 to stage 1	**532**	**–**	**(532)**	**–**
Foreign exchange and other movements	**–**	**–**	**(1,284)**	**(1,284)**
As at 31 December 2022	**104,071**	**23,372**	**250,581**	**378,024**
As at 1 January 2021	140,408	–	199,831	340,239
Increases	60,683	6,494	103,498	170,675
Reversals	(83,189)	(39)	(48,817)	(132,045)
Transfer:				
Stage 1 to stage 3	(1,332)	–	1,332	–
Stage 3 to stage 1	294	–	(294)	–
Stage 1 to stage 2	(2,266)	2,266	–	–
Foreign exchange and other movements	–	–	(83)	(83)
As at 31 December 2021	114,598	8,721	255,467	378,786

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

(b) Financial assets held under resale agreements

	Stage of ECL			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL (Credit-impaired)**	**Total**
As at 1 January 2022	**5,634**	**2,265**	**1,124,335**	**1,132,234**
Increases	**196**	**–**	**737,504**	**737,700**
Reversals	**(4,965)**	**(2,265)**	**(33,434)**	**(40,664)**
Transfer:				
Stage 1 to stage 3	**(669)**	**–**	**669**	**–**
Foreign exchange and other movements	**8**	**–**	**–**	**8**
As at 31 December 2022	**204**	**–**	**1,829,074**	**1,829,278**
As at 1 January 2021	47,177	7,845	933,957	988,979
Increases	601	–	277,405	278,006
Reversals	(33,264)	(5,562)	(95,925)	(134,751)
Transfer:				
Stage 1 to stage 3	(3,582)	–	3,582	–
Stage 2 to stage 3	–	(5,316)	5,316	–
Stage 1 to stage 2	(5,298)	5,298	–	–
As at 31 December 2021	5,634	2,265	1,124,335	1,132,234

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

(c) Financial assets measured at amortized cost

	Stage of ECL			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL (Credit-impaired)**	**Total**
As at 1 January 2022	**6,560**	**–**	**570,557**	**577,117**
Increases	**832**	**–**	**13,874**	**14,706**
Reversals	**(5,013)**	**–**	**–**	**(5,013)**
Transfer:				
Stage 1 to stage 3	**(173)**	**–**	**173**	**–**
Foreign exchange and other movements	**256**	**–**	**2,969**	**3,225**
As at 31 December 2022	**2,462**	**–**	**587,573**	**590,035**
As at 1 January 2021	19,210	–	520,451	539,661
Increases	1,445	–	49,636	51,081
Reversals	(12,669)	–	(163)	(12,832)
Transfer:				
Stage 1 to stage 3	(1,103)	–	1,103	–
Stage 2 to stage 3	–	–	–	–
Foreign exchange and other movements	(323)	–	(470)	(793)
As at 31 December 2021	6,560	–	570,557	577,117

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

(d) Financial assets at fair value through other comprehensive income

	Stage of ECL			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL (Credit-impaired)**	**Total**
As at 1 January 2022	**71,726**	**84,863**	**342,624**	**499,213**
Increases	**40,775**	**4,587**	**261,437**	**306,799**
Reversals	**(39,616)**	**(34,359)**	**(108)**	**(74,083)**
Transfer:				
Stage 1 to stage 2	**(808)**	**808**	**–**	**–**
Stage 2 to stage 1	**5,711**	**(5,711)**	**–**	**–**
Stage 2 to stage 3	**–**	**(45,866)**	**45,866**	**–**
Foreign exchange and other movements	**2,233**	**1,251**	**10,065**	**13,549**
As at 31 December 2022	**80,021**	**5,573**	**659,884**	**745,478**
As at 1 January 2021	56,053	23,818	209,577	289,448
Increases	61,189	81,518	133,293	276,000
Reversals	(48,549)	(16,149)	–	(64,698)
Transfer:				
Stage 1 to stage 2	(2,237)	2,237	–	–
Stage 1 to stage 3	(252)	–	252	–
Stage 2 to stage 1	6,133	(6,133)	–	–
Foreign exchange and other movements	(611)	(428)	(498)	(1,537)
As at 31 December 2021	71,726	84,863	342,624	499,213

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

(e) Significant credit risk exposure

	As at 31 December 2022			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL (Credit-impaired)**	**Total**
Margin accounts receivable	**58,230,278**	**3,069,339**	**–**	**61,299,617**
Financial assets at fair value through other comprehensive income	**52,687,330**	**1,539,924**	**283,593**	**54,510,847**

	As at 31 December 2021			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (Credit-impaired)	Total
Margin accounts receivable	75,170,212	1,126,544	–	76,296,756
Financial assets at fair value through other comprehensive income	32,763,419	4,076,498	285,482	37,125,399

(2) 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 reinforces 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.

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(2) Liquidity risk (continued)

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.

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(2) 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:

	31 December 2022						
	Overdue/ repayable on demand	Less than 1 month	1 month to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Financial liabilities:							
Loans and borrowings	–	100,548	1,356,754	435,458	–	–	1,892,760
Short-term debt instruments issued	–	4,337,542	7,752,642	10,039,068	–	–	22,129,252
Placements from other financial institutions	–	3,115,653	286,394	62,110	–	–	3,464,157
Accounts payable to brokerage clients	100,310,770	–	–	–	–	–	100,310,770
Other payables and accruals	44,925,773	22,279	66,601	642,167	284	–	45,657,104
Financial assets sold under repurchase agreements	–	134,662,776	7,461,845	11,639,070	–	–	153,763,691
Lease liabilities	–	40,350	89,100	272,302	569,914	24,442	996,108
Financial liabilities at fair value through profit or loss	6,289	1,284,743	2,044,135	1,183,287	671,105	329,007	5,518,566
Derivative financial liabilities	–	1,201,427	929,626	1,659,482	951,922	7,227	4,749,684
Long-term bonds	–	2,204,100	3,101,583	39,480,026	88,983,822	17,313,568	151,083,099
Other non-current liabilities	–	–	–	–	526,331	–	526,331
Total	145,242,832	146,969,418	23,088,680	65,412,970	91,703,378	17,674,244	490,091,522
Cash flows from derivative financial liabilities settled on a net basis:	–	1,201,427	929,626	1,659,482	951,922	7,227	4,749,684
Gross-settled derivative financial liabilities:							
Contractual amounts receivable	–	–	–	–	–	–	–
Contractual amounts payable	–	–	–	–	–	–	–

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(2) 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 (continued):

	31 December 2021						
	Overdue/ repayable on demand	Less than 1 month	1 month to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Loans and borrowings	–	790,599	1,031,095	1,426,559	–	–	3,248,253
Short-term debt instruments issued	–	827,933	5,013,961	24,161,382	–	–	30,003,276
Placements from other financial institutions	–	1,551,054	2,186,240	654,895	–	–	4,392,189
Accounts payable to brokerage clients	104,738,359	–	–	–	–	–	104,738,359
Other payables and accruals	29,402,808	53,410	72,428	55,814	–	–	29,584,460
Financial assets sold under repurchase agreements	–	124,245,689	2,591,950	11,164,404	–	–	138,002,043
Lease liabilities	–	38,578	59,112	267,919	643,648	29,928	1,039,185
Financial liabilities at fair value through profit or loss	–	2,979,864	11,877	2,881,773	293,481	–	6,166,995
Derivative financial liabilities	–	1,761,789	1,307,332	2,778,922	1,390,858	70,955	7,309,856
Long-term bonds	–	6,629,746	16,809,943	23,711,481	110,397,131	15,987,543	173,535,844
Other non-current liabilities	–	–	–	–	321,427	–	321,427
Total	134,141,167	138,878,662	29,083,938	67,103,149	113,046,545	16,088,426	498,341,887
Cash flows from derivative financial liabilities settled on a net basis:	–	1,761,789	1,307,332	2,778,922	1,390,858	70,955	7,309,856
Gross-settled derivative financial liabilities:							
Contractual amounts receivable	–	–	–	–	–	–	–
Contractual amounts payable	–	–	–	–	–	–	–

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(3) Market risk

(a) 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 2022. In the tables, financial assets and liabilities as at 31 December 2022 are presented by the expected next repricing date or maturity date, whichever is earlier:

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(3) Market risk (continued)

(a) Interest rate risk (continued)

	31 December 2022					
	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Non-interest bearing	Total
Financial assets						
Financial assets measured at amortized cost	–	–	124,605	–	3,992,764	4,117,369
Financial assets at fair value through other comprehensive income	358,472	3,630,799	45,276,066	4,128,924	3,146,316	56,540,577
Financial assets held under resale agreements	13,517,487	–	–	–	3,922,877	17,440,364
Refundable deposits	20,386,077	–	–	–	6,131,301	26,517,378
Accounts receivable	–	–	–	–	5,248,559	5,248,559
Other receivables and prepayments	–	50,000	–	–	541,914	591,914
Other non-current assets	–	–	–	–	9,944	9,944
Margin accounts receivable	22,263,655	36,618,283	–	–	2,417,679	61,299,617
Financial assets at fair value through profit or loss	8,274,551	54,196,025	80,489,338	2,755,999	133,303,127	279,019,040
Derivative financial assets	–	–	–	–	8,197,282	8,197,282
Clearing settlement funds	21,068,521	–	–	–	37,720	21,106,241
Cash held on behalf of brokerage clients	83,478,164	5,936,211	–	–	114,294	89,528,669
Cash and bank balances	29,970,727	1,809,646	100,000	–	215,193	32,095,566
Total	199,317,654	102,240,964	125,990,009	6,884,923	167,278,970	601,712,520
Financial liabilities						
Loans and borrowings	(1,310,661)	(394,702)	–	–	(14,032)	(1,719,395)
Short-term debt instruments issued	(11,939,611)	(9,945,710)	–	–	(166,680)	(22,052,001)
Placements from other financial institutions	(3,389,152)	(60,536)	–	–	(12,723)	(3,462,411)
Accounts payable to brokerage clients	(100,289,832)	–	–	–	(20,938)	(100,310,770)
Other payables and accruals	(134,958)	–	–	–	(45,522,146)	(45,657,104)
Financial liabilities at fair value through profit or loss	(5,380,041)	(19,688)	–	–	(101,270)	(5,500,999)
Financial assets sold under repurchase agreements	(141,798,147)	(11,344,742)	–	–	(351,245)	(153,494,134)
Derivative financial liabilities	–	–	–	–	(4,749,684)	(4,749,684)
Long-term bonds	(5,154,923)	(38,581,677)	(87,746,765)	(16,996,455)	(2,584,740)	(151,064,560)
Lease liabilities	(116,752)	(253,611)	(532,205)	(23,438)	–	(926,006)
Other non-current liabilities	–	–	–	–	(526,331)	(526,331)
Total	(269,514,077)	(60,600,666)	(88,278,970)	(17,019,893)	(54,049,789)	(489,463,395)
Net interest rate risk exposure	(70,196,423)	41,640,298	37,711,039	(10,134,970)	113,229,181	112,249,125

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(3) Market risk (continued)

(a) Interest rate risk (continued)

	31 December 2021					
	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Non-interest bearing	Total
Financial assets						
Financial assets measured at amortized cost	203,907	225,204	–	–	4,592,453	5,021,564
Financial assets at fair value through other comprehensive income	669,171	2,760,558	26,463,585	6,586,324	3,269,569	39,749,207
Financial assets held under resale agreements	18,594,465	1,322,897	–	–	5,480,822	25,398,184
Refundable deposits	19,223,672	–	–	–	9,889,988	29,113,660
Accounts receivable	–	–	–	–	4,093,737	4,093,737
Other receivables and prepayments	–	–	–	–	954,645	954,645
Margin accounts receivable	24,410,060	49,888,574	–	–	1,998,121	76,296,755
Financial assets at fair value through profit or loss	4,839,196	44,323,080	92,349,534	8,515,973	122,548,676	272,576,459
Derivative financial assets	–	–	–	–	2,800,300	2,800,300
Clearing settlement funds	15,261,896	–	–	–	46	15,261,942
Cash held on behalf of brokerage clients	84,640,524	1,900,000	–	–	82,317	86,622,841
Cash and bank balances	29,707,281	1,065,867	100,000	–	165,688	31,038,836
Total	197,550,172	101,486,180	118,913,119	15,102,297	155,876,362	588,928,130
Financial liabilities						
Loans and borrowings	(1,814,446)	(1,407,928)	–	–	(7,424)	(3,229,798)
Short-term debt instruments issued	(5,830,167)	(23,656,512)	–	–	(100,164)	(29,586,843)
Placements from other financial institutions	(3,716,200)	(633,817)	–	–	(16,708)	(4,366,725)
Accounts payable to brokerage clients	(103,337,193)	–	–	–	(1,401,166)	(104,738,359)
Other payables and accruals	(134,594)	–	–	–	(29,449,866)	(29,584,460)
Financial liabilities at fair value through profit or loss	(6,093,115)	–	–	–	(73,880)	(6,166,995)
Financial assets sold under repurchase agreements	(125,266,711)	(12,448,483)	–	–	(262,326)	(137,977,520)
Derivative financial liabilities	–	–	–	–	(7,309,855)	(7,309,855)
Long-term bonds	(22,057,347)	(19,766,249)	(101,717,502)	(14,022,914)	(2,922,712)	(160,486,724)
Lease liabilities	(81,804)	(228,167)	(630,657)	(28,587)	–	(969,215)
Other non-current liabilities	–	–	–	–	(321,427)	(321,427)
Total	(268,331,577)	(58,141,156)	(102,348,159)	(14,051,501)	(41,865,528)	(484,737,921)
Net interest rate risk exposure	(70,781,405)	43,345,024	16,564,960	1,050,796	114,010,834	104,190,209

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(3) Market risk (continued)

(a) 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	**31 December 2022**	31 December 2021
Move in yield curve		
Up 25 basis points	**(395,775)**	(564,295)
Down 25 basis points	**398,930**	572,576

Sensitivity of equity	**31 December 2022**	31 December 2021
Move in yield curve		
Up 25 basis points	**(574,756)**	(713,806)
Down 25 basis points	**579,339**	724,203

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-derivative 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.

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(3) Market risk (continued)

(b) Foreign currency rate 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 year:

Sensitivity of profit after tax	**31 December 2022**	31 December 2021
Currency		
USD	**(127,771)**	(106,881)
HKD	**(92,261)**	602,244
Other currencies	**(52,727)**	21,619

Sensitivity of equity	**31 December 2022**	31 December 2021
Currency		
USD	**(440,790)**	(106,881)
HKD	**(92,261)**	945,993
Other currencies	**(52,727)**	21,619

A 10% weakening of the RMB against the USD, HKD and other currencies at the end of the reporting year 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 year. The analysis excludes translation differences arising from translation of foreign currency financial statements.

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(3) Market risk (continued)

(c) Other price risks

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	**31 December 2022**	31 December 2021
Increase by 10%	**6,664,982**	5,362,014
Decrease by 10%	**(6,664,982)**	(5,362,014)

Sensitivity of equity	**31 December 2022**	31 December 2021
Increase by 10%	**6,790,664**	5,539,224
Decrease by 10%	**(6,790,664)**	(5,539,224)

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(4) 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%;

(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%.

59 Company-level statement of financial position

	As at 31 December 2022	As at 31 December 2021
Non-current assets		
Property and equipment	**312,828**	339,288
Investment properties	**139,036**	140,847
Other intangible assets	**582**	1,108
Interest in associates and joint ventures	**63,125,223**	63,316,666
Financial assets measured at amortized cost	**2,032,469**	1,932,294
Financial assets at fair value through profit or loss	**4,838,504**	3,470,285
Deferred tax assets	**40,778**	171,856
Other non-current assets	**291**	1,705
Total non-current assets	**70,489,711**	69,374,049
Current assets		
Other receivables and prepayments	**3,608,255**	6,027,191
Financial assets measured at amortized cost	**500,768**	–
Financial assets at fair value through profit or loss	**7,904,405**	8,325,540
Cash and bank balances	**1,357,843**	344,130
Total current assets	**13,371,271**	14,696,861
Total assets	**83,860,982**	84,070,910
Current liabilities		
Employee benefits payable	**116,834**	130,453
Other payables and accruals	**44,226**	17,088
Long-term bonds due within one year	**6,676,561**	4,332,645
Total current liabilities	**6,837,621**	4,480,186
Net current assets	**6,533,650**	10,216,675
Total assets less current liabilities	**77,023,361**	79,590,724
Non-current liabilities		
Long-term bonds	**17,883,140**	20,659,632
Non-current employee benefits payable	**19,188**	14,784
Other non-current liabilities	**–**	2,620
Total non-current liabilities	**17,902,328**	20,677,036
Net assets	**59,121,033**	58,913,688
Equity		
Share capital	**25,039,945**	25,039,945
Reserves	**31,202,309**	30,931,176
Retained profits	**2,878,779**	2,942,567
Total equity	**59,121,033**	58,913,688

60 Events after the reporting date

(1) Profit distribution

Pursuant to the resolution of the Board of Directors dated 30 March 2023, the Board proposed to distribute cash dividends of RMB0.30 (tax inclusive) per 10 shares to shareholders based on the total outstanding shares of 25,039,945 thousand shares, with total dividends amounting to RMB751,198 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 31 December 2022 to the reporting date, the Group issued long-term bonds, short-term bonds and a number of structured notes, with coupon rates range from 2.30% to 6.80%. The issuance amount was approximately RMB22.68 billion in total.

(3) Repayment of long-term bonds, short-term bonds and structured notes

From 31 December 2022 to the reporting date, the Group repaid long-term bonds, short-term bonds and a number of structured notes, with coupon rates range from2.10% to 6.80%. The repayment amount was approximately RMB22.75 billion in total.

61 Reclassification of comparative figures

Certain comparative figures have been reclassified to conform to the current period presentation.