

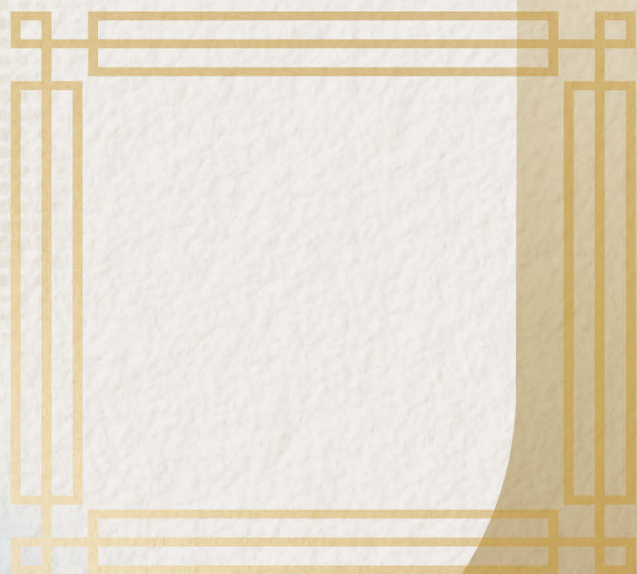


申萬宏源集團股份有限公司
SHENWAN HONGYUAN GROUP CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code : 6806.HK 000166.SZ

Annual Report

2023





*Secretary of the Party committee,
Chairman*
Mr. Liu Jian

Dear shareholders,

As time goes by, everything starts to take on a new glow. The year 2023 was the first year for the full implementation of the spirit of the 20th National Congress of the Communist Party of China (the "CPC"). The CPC Central Committee, with General Secretary Xi Jinping as the core, united and led the people of all ethnic groups in the country to comprehensively deepen the reform and opening up, to practically push forward high-quality development, and to take solid steps towards building a modern socialist country. The Central Financial Work Conference and the Central Economic Work Conference have been convened, which put forward new and higher requirements for financial services to serve the high-quality development of the economy and society, and blown the trumpet for building a financial powerhouse. The comprehensive and deepening reform of the capital market has continued to be pushed forward, and the role of the market as a hub has been further enhanced. In the face of the complex and severe external environment and the arduous task of reform, development and stabilization, Shenwan Hongyuan firmly adhered to its functional positioning, maintained its strategic determination, accelerated its reform and transformation, strengthened its coordination and cooperation, seized the development opportunities, and taken its work to a new level.

Key business indicators and market performance of Shenwan Hongyuan for the year were favorable. Reasonable growth was made in terms of quantity. We achieved total revenue and other income of RMB31,916 million during the year, representing a year-on-year increase of 1.08%. As at the end of the year, the total assets and total equity of the Group amounted to RMB635,437 million and RMB128,794 million, respectively, representing a year-on-year increase

of 3.64% and 10.38%, respectively. **Significant improvement was realized in terms of quality.** We achieved profit for the year of RMB5,475 million and ROE of 4.72%, representing a year-on-year increase of 74.39% and 1.79 percentage points, respectively. Our subsidiary, Shenwan Hongyuan Securities, achieved profit for the year attributable to shareholders of the Company of RMB5,524 million, representing an increase of 58.44%; maintained its position at the forefront of the industry in terms of practice quality evaluation by Beijing Stock Exchange, and has been recognized as Class A in terms of practice capability for corporate bond business by the Securities Association of China for four consecutive years. **Accelerated growth was made in terms of efficiency.** We achieved a decrease of approximately 7 percentage points in operating expense ratio. Based on the annual results, the Board of Directors proposed an annual cash dividend of RMB0.56 per 10 shares, representing a dividend distribution rate of 30.44%.

Over the past year, we have returned to our roots, have kept our mission in mind, and have fully served the high-quality development of the economy and society. In the face of the complex and changing market situation, we have gained a deep understanding of the rules of financial development in the new era, made timely judgment of the new situation in the capital market, endeavored to grasp the new opportunities, identified the right development positioning, practiced the basic skills, and strengthened the main responsibilities and businesses. On the financing side, we have adhered to our vocation and mission of serving the real economy. We served a large number of enterprises in the fields of technological innovation, advanced manufacturing, green development, and others in listing or refinancing, and served specialization, refinement, specialization and novelty enterprises, and small-, medium- and micro-sized enterprises in listing or directional issuance for 53 times on the NEEQ. During the year, we ranked first in terms of the number of IPOs on the Beijing Stock Exchange, and ranked first in the industry in terms of the cumulative number of enterprises recommended for listing on the NEEQ, the cumulative scale of directional issuance for listed enterprises, and the cumulative scale of equity financing for listed enterprises. We have strengthened our practice concepts and professional capabilities to match the registration system, and facilitated the in-depth implementation of the registration system. On the investment side, we have strengthened our “people-centered” value orientation, accelerated the transformation from a sell-side to a buy-side investment model, and provided products and services matching different types of customer segments. We have achieved steady growth in the scale of public fund investment advisory and ESOP businesses, rewarded our clients with long-term, stable and good investment performance, innovated the tools and methods of investor education and protection, and facilitated the entry of more medium- and long-term capital into the capital market.

Over the past year, we have deepened the systematic and coordinated reforms and have actively and proactively carried out strategic layout. We insisted on drawing a blueprint to the end, launched a mid-term strategic assessment, dynamically optimized strategic initiatives, and gradually deepened our strategic layout. In terms of integration, we improved the integrated business synergy system between the Group and the securities companies, increased the synergy assessment, and improved the mechanism for the synergistic development of large clients, enhanced the implementation of “promoting lightness with heavy, integrating lightness with heavy”, and promoted the development of light capital business. In terms of centralization, with focus on enhancing operational efficiency, adapting to the needs of business transformation, and building a professional and agile system, we have deepened our organizational reform, implemented a large departmental system in the middle and back office, adjusted and optimized the structure and responsibilities in areas the wealth management, securities financing, investment banking, FICC, over-the-counter derivatives and information technology development, formally launched the Shenwan Hongyuan Industrial Research Institute, established five major science and innovation industry research centers, and enhanced research and service capabilities on the industry chain. In terms of internationalization, taking the strengthening of line management and unified control as the key, we have launched high-quality cross-border investment and cross-border capital intermediary business. We have accelerated



the restructuring and upgrading of wealth, capital management, investment banking and other light capital businesses, and enlarged and strengthened our international business. In terms of digitalization, we have deepened the integration of business and technology, intensified the coordination of digital transformation, established a dedicated business IT support department, established a long-term cooperative working mechanism with our business segments, focused on new businesses such as the full registration system, quotation repurchase in Shanghai Stock Exchange, and the calculation of cross-market index, and intensified the empowerment of financial technology, promoted the launch of a number of systems and technological platforms, and took the lead in launching the “Network Security Three-Year Enhancement Plan” for the industry, and won nine provincial and ministerial-level financial technology awards.

Over the past year, we have adhered to the principles of integrity and innovation, and our competitiveness and service level have further improved. We were committed to the wealth management and asset management business by innovating diversified and professional financial services and products, and enhancing capabilities in securities research, investment consulting and investment management. As for investment banking and investment business, we made steady progress by fully grasping and continuously exploring business opportunities brought about by the construction of modern industrial systems, high-level opening up, livelihood security, regional coordinated development, etc., focusing on serving the real economy to carry out innovation, improving capabilities in industrial research, risk pricing as well as fundraising, investment, management and withdrawal, and promoting balanced development and a virtuous cycle of investment and financing. As for sales transaction business, we maintained strategic focus and historical patience, focused on the needs of institutional clients, vigorously developed cross trade business, strengthened trading pricing, asset allocation and product creation capabilities, and iterated and enriched trading strategies such as quantitative hedging and market making, so that the basis of major asset allocation has been strengthened, and portfolio stability and risk resistance have been enhanced.

Over the past year, we have coordinated development and safety, and our stable business foundation has become more solid. As a state-owned financial listed company, we have always focused on main businesses, insisted on stable operation and long-termism. We continuously strengthened the integration of compliance risk management and operation management, steadily promoted business transformation and structural adjustment, refrained from rashness or slackness, and always strictly adhered to the bottom line of avoiding major risks. We also strengthened proactive management capabilities in compliance risk control, scientifically formulated and dynamically optimized effective compliance risk control policies to support business transformation, withstood various unexpected factors, and achieved good operating results in serving national strategies. Our risk management capability has been significantly improved.

Over the past year, we have cultivated a strong financial culture and built a more solid foundation for modern governance. We have always deeply practiced the “two-consistency” by organically integrating the adherence to and strengthening of the Party’s leadership with the improvement of corporate governance, so as to effectively transform political advantages into governance performance. We actively participated in the Best Practice Series of the China Association for Public Companies, and won a number of awards, including the “Best Practice for Board of Directors”, “Best Practice for Supervisory Committee”, “Performance Evaluation Level 5A of the Secretary” and “Best Practice for Board Office”. We adhered to the information disclosure concept guided by investor needs and have been awarded evaluation class A on information disclosure by the Shenzhen Stock Exchange for eight consecutive years. We deeply cultivated the financial culture with Chinese characteristics, insisted that public companies shall be responsible for the public, firmly established a sense of return to shareholders, maintained a continuous and stable cash dividend policy, regularly held performance presentations, participated in online collective reception days for investors of listed companies, and

carefully listened to opinions and suggestions through multiple platforms such as the Company's website, the interaction platform of the Shenzhen Stock Exchange and investor hotline, so as to strengthen the voice and sense of gain of small and medium-sized investors. We actively integrated social responsibility into our core value framework, promoted the organic integration of ESG management improvement with serving national strategy and operation and management, fulfilled ESG responsibilities at multiple levels, and improved ESG performance in various aspects.

Looking back on this year, Shenwan Hongyuan has withstood multiple tests in a complex environment, overcame the challenges on the way forward one step at a time. The adaptability, competitiveness and inclusiveness of financial services have continuously improved, and high-quality development has taken solid steps forward. These achievements are attributable to the careful guidance of regulatory authorities, the strong support of shareholders, customers and all sectors of society, as well as the hard work of all Shenwan Hongyuan personnel. On behalf of the Party Committee and the Board of Directors of the Company, I would like to express my sincere gratitude!

The Central Financial Work Conference and the Central Economic Work Conference held in 2023 pointed out the direction for the construction of an investor-based capital market. Action is the most powerful declaration. In 2024, Shenwan Hongyuan will continue to deeply implement the spirit of the 20th National Congress of the Communist Party of China, the Central Financial Work Conference and the Central Economic Work Conference, adhere to the general principle of seeking progress while maintaining stability, focus on the theme of high-quality development, accelerate the construction of a first-class comprehensive financial service provider with securities business as the core, capital market as the support and "investment + investment banking" as the feature, and actively contribute to the construction of a financial power.

Practice the political and people-oriented nature of financial work with high-quality and efficient financial services. The Company deeply understands the important discourse of the General Secretary Xi Jinping on financial power, and will focus on the main businesses, fulfill the "five articles" of technology finance, green finance, inclusive finance, pension finance and digital finance, balance the relationship between functionality and profitability, and constantly improve the ability of finance to serve people's livelihood and economic and social development. With respect to technology finance, the Company will support the technology and innovation with high-quality financial services, fully exert the professional advantages of research, and assist the development of new quality productive forces. With respect to green finance, the Company will improve the investment policies, standards and product system. With respect to inclusive finance, the Company will continue to increase financial support for the private economy, small-, medium- and micro-sized enterprises, "Sannong" and other fields, and improve the service security level. With respect to pension finance, the Company will enrich the supply of financial products and services, and increase the financial support for the health and pension industry and the silver economy. With respect to digital finance, the Company will accelerate the digital and intelligent transformation, and improve the convenience and competitiveness of financial services.

Firmly promote the reform and transformation with a customer and market orientation. The deepening of reform of financial supply side drives the direction of the capital market ecology and industry development direction. Financial institutions shall better play important functional roles in maintaining the stability of capital market, value discovery and risk management, enhancing long-term returns for investors and supporting high-level market openness, promote the medium and long-term capital into the market, and contributed to the balanced development of the investment and financing side. On the financing side, we will continue to perform the responsibilities of the "gatekeeper" of the capital market, support and supervise listed companies to improve the quality of information disclosure, strengthen risk pricing and dealmaking, assist a variety of companies in marketization and merger, acquisition and reorganization, stimulate



their management vitality and bring investors better returns, and the Company will commit to improve the integrated, specialized, full life cycle service ability against customers, and continuously support the capital market to optimize the resources allocation. On the investment side, we will pragmatically serve investors, the element of the capital market, effectively meet the demand of customers' differentiated comprehensive financial services through a more diversified and professional product design and financial innovation, dedicated to promote the high-quality development of wealth management and asset management businesses, support value investment, rational investment and long-term investment, and make every effort to achieve their own reasonable business structure and sound benefits.

Enhance the development momentum with the corporate culture of “One Shenwan Hongyuan”. We will take the guidance of “vigorously carrying forward the Chinese excellent traditional culture in the financial system, adhere to being honest and trustworthy, balance of righteous and benefits, be stable and prudent, pursue innovation on the basis of what has worked in the past, be legitimate and compliant”, keep abreast of the times of advance the refresh of the Company's culture concept and system, constantly deepen the cultural iteration, strengthen the soft power of pursuing excellent corporate culture, polish the signboard of Shenwan Hongyuan. We will firmly establish the work style of diligence, pragmatism and aggressiveness, firmly grasp the execution construction, stimulate the enthusiasm, initiative, creativity of cadres of the Company, adhere to the hard standards of politics, ability and work style, form a financial talent support with purity, professionalism and combat capacity, strengthen the market assessment incentives, consolidate the standardization of refined management, accelerate the promotion of management quality and efficiency improvement. As a listed company, the Company plays a leading role in increasing dividend distribution and improving investors' returns, etc. The Company will continue to focus on the dual drive of corporate governance and information disclosure, and constantly improve the quality and investment value of listed companies.

Only by overcoming the most difficult issues can we achieve the most ambitious goals. In the new year, Shenwan Hongyuan will bear in mind the “greatness of the nation”, anchor the goal, dedicated to pursue innovation on the basis of what has worked in the past, and courageously implement the requirements of the capital market, fully exert the functionality as a market intermediary, and support high-quality economic development with high-quality financial services. With concerted efforts, we will work together, embrace our dreams and confidently move forward to live up to the opportunities presented by the era.

Secretary of the Party Committee, Chairman

Mr. Liu Jian

March 28, 2024



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 23rd 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. 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.
4. The financial report for 2023 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.
5. 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.
6. 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.
7. As considered and approved at the 23rd meeting of the fifth session of the Board, the profit distribution proposal of the Company for 2023 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, 2023, a cash dividend of RMB0.56 (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 RMB1,402,236,895.36. The retained profits of the Company of RMB1,384,562,672.05 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 2023 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)

8. The audit committee of the Board of the Company has reviewed the annual results of the Company for 2023.
9. This annual report of the Company is prepared in both Chinese and English. In the event of any discrepancy, the Chinese version shall 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
“Company” or “Shenwan Hongyuan Group”	Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司)
“Group”	the Company and its subsidiaries
“Shenwan Hongyuan Securities”	Shenwan Hongyuan Securities Co., Ltd. (申萬宏源證券有限公司)
“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)
“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)
“Hongyuan Futures”	Hongyuan Futures Co., Ltd. (宏源期貨有限公司)
“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 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)
“Shenwan Futures”	Shenwan Futures Co., Ltd. (申銀萬國期貨有限公司)
“Shenyin & Wanguo Investment”	Shenyin & Wanguo Investment Co., Ltd. (申銀萬國投資有限公司)
“Shenwan Hongyuan Asset Management”	Shenwan Hongyuan Securities Asset Management Co., Ltd. (申萬宏源證券資產管理有限責任公司)
“SWS Research”	SWS Research Co., Ltd. (上海申銀萬國證券研究所有限公司)
“SWS MU”	SWS MU Fund Management Co., Ltd. (申萬菱信基金管理有限責任公司)
“Fullgoal Fund”	Fullgoal Fund Co., Ltd. (富國基金有限責任公司)

Section I Important Notice and Definitions (continued)

Term	Definition
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Shenzhen Stock Exchange”	Shenzhen Stock Exchange
“Shanghai Stock Exchange”	Shanghai Stock Exchange
“Beijing Stock Exchange”	Beijing Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhengzhou Commodity Exchange”	Zhengzhou Commodity Exchange
“Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法)
“Securities Law”	the Securities Law of the People’s Republic of China (中華人民共和國證券法)
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
“Articles of Association”	the articles of association of the Company (as amended from time to time)
“general meeting”	the general meeting of the Company
“Board” or “Board of Directors”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“controlling shareholder” or “JIC”	China Jianyin Investment Ltd. (中國建銀投資有限責任公司)
“actual controller” or “Central Huijin”	Central Huijin Investment Ltd. (中央匯金投資有限責任公司)
“SSE Composite Index”	the Shanghai Stock Exchange composite index



Term	Definition
“SZSE Component Index”	the Shenzhen Stock Exchange component index
“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
“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
“ETF(s)”	exchange-traded fund(s)
“FICC”	fixed income, currencies and commodities
“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)
“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
“STAR Market”	the Sci-Tech Innovation Board launched by the Shanghai Stock Exchange
“ChiNext Board on the Shenzhen Stock Exchange”	the growth enterprise board launched by the Shenzhen 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
“VaR”	value at risk
“ISAE 3402”	International Standard on Assurance Engagements (鑒證業務國際準則) No. 3402
“PB System”	prime brokerage system
“EBITDA”	earnings before interest, taxes, depreciation and amortization
“PE”	private equity investment
“VC”	venture capital

Section I Important Notice and Definitions (continued)

Term	Definition
“Pre-IPO”	direct equity investment in companies before listing or expected to be listed
“ABS”	asset-backed securities
“REITs”	real estate investment trust
“CMBS”	Commercial Real Estate Mortgage-Backed Securities
“CDX contract(s)”	portfolio credit protection contract(s)
“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
“QDLP”	qualified domestic limited partner
“FOF”, “Parent Fund”	a fund which specially invests in other securities investment funds
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“FRB”	the Board of Governors of the Federal Reserve System
“IPO”	initial public offering
“ESG”	environmental, social and corporate governance
“TMT”	technology, media and telecommunication
“GDR”	global depository receipt
“CTA”	commodity futures strategy
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“HK\$” or “HK dollars”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“Reporting Period”	from January 1, 2023 to December 31, 2023
“US dollar” or “USD”	United States dollars, the lawful currency of the United States
“%”	percent

In the 2023 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	

Section II Company Profile and Key Financial Indicators (continued)

Company website	www.swhygh.com
Email address of the Company	swhy@swyhsc.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 RMB91,498,184,480.80

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@swyhsc.com	swhy@swyhsc.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 was 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 most recent registration 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 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 four securities firms, namely Shenwan Hongyuan Securities, Shenwan Hongyuan Securities (Western), Shenwan Hongyuan Financing Services and Shenwan Hongyuan Asset Management.

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 key memberships and business qualifications:

Section II Company Profile and Key Financial Indicators (continued)

- 1 Membership of Securities Association of China
- 2 Membership of Insurance Asset Management Industry of China
- 3 Membership of National Debt Association of China
- 4 Membership of China Futures Association
- 5 Membership of National Association of Financial Market Institutional Investors
- 6 Membership of the Asset Management Association of China
- 7 Membership of China Securities Investor Protection Fund
- 8 Membership of China Bill Trading System
- 9 Membership of class B clearing in China Central Depository & Clearing Co., Ltd.
- 10 Membership of the National Internet Finance Association of China
- 11 Clearing membership of the Interbank Market Clearing House
- 12 Membership of Shanghai Securities Association
- 13 Membership of Shanghai Stock Exchange
- 14 Membership of Shenzhen Stock Exchange
- 15 Special membership of the Shanghai Gold Exchange
- 16 Pilot Qualification for OTC financial derivatives
- 17 Qualification of secondary dealers for OTC options business
- 18 Qualification of primary dealers for OTC options
- 19 Qualification for agency business of securities accounts
- 20 Qualification of underwriting business for debt financing instruments of non-financial enterprises
- 21 Qualification for personal pension marketing agent
- 22 Qualification for stock option brokerage and proprietary business trading
- 23 Qualification for securities option trading permission
- 24 Qualification for settlement of securities funds of stock-option business pilot program
- 25 Pilot Qualification for OTC market
- 26 Qualification of precious metals spot contracts proprietary business
- 27 Qualification of treasury bonds futures proprietary business
- 28 Qualification of domestic institutional investor (QDII)
- 29 Pilot Qualification for Internet-based securities business
- 30 Stock pledged repurchase transaction business for securities on the Shanghai and Shenzhen Stock Exchange
- 31 Agreed repurchase securities trading entitlement on the Shanghai and Shenzhen Stock Exchange
- 32 Qualification of bond pledge-style quoted repo business on the Shanghai and Shenzhen Stock Exchange
- 33 Qualification of gold spot contracts proprietary business
- 34 Qualification of market maker of institutional private placement product quotation and service system
- 35 Approval in amount for foreign exchange for overseas investment
- 36 Qualification for consultancy services relating to the secrecy-involved business of the military industry
- 37 Qualification for market making lending business on the STAR Market
- 38 Qualification for interest rate swap business
- 39 Qualification for investment manager of corporate pension funds
- 40 Qualification for lending in the national inter-bank lending market
- 41 Qualification for admission to the national inter-bank bond market
- 42 Qualification for lead brokerage business (recommendation, brokerage, and market-making) on the National Equities Exchange and Quotations

- 43 Qualification of market maker business of listed securities
- 44 Permission to conduct Southbound trading under Shenzhen-Hong Kong stock connect
- 45 Qualification for pilot fund investment advisory business
- 46 Qualification for pilot cross-border business related matters
- 47 Qualification for entrusted management of insurance capital
- 48 Qualification of cash management products quick withdrawal business
- 49 Qualification for credit derivatives business
- 50 Qualification for trial market maker business on the inter-bank bond market
- 51 Qualification of market maker of spot bond on the inter-bank bond market
- 52 Qualification for bond connect business
- 53 Qualification for securities brokerage system
- 54 Qualification for foreign exchange operation in the securities business
- 55 Qualification of pledging agent for securities pledge registration business
- 56 Qualification of market maker business of treasury bonds futures on the China Financial Futures Exchange
- 57 Qualification of main market maker business of the Shanghai and Shenzhen 300 index options on the China Financial Futures Exchange
- 58 Qualification of main market maker business of the SSE 50 stock index options on the China Financial Futures Exchange
- 59 Qualification of main market maker business of the CSI 1000 stock index options on the China Financial Futures Exchange
- 60 Qualification for foreign currency borrowing and lending business of China Foreign Exchange Trading System
- 61 Qualification of the core dealer for credit risk mitigation tools of National Association of Financial Market Institutional Investors
- 62 Qualification for the creator for credit risk mitigation certificates of National Association of Financial Market Institutional Investors
- 63 Qualification for institution providing credit bond bill of National Association of Financial Market Institutional Investors
- 64 Qualification of class A clearing participant of China Securities Depository and Clearing Company Limited
- 65 Qualification for options clearing business of China Securities Depository and Clearing Company Limited
- 66 Qualification for proprietary participation in carbon emissions trading business of China Securities Regulatory Commission
- 67 Qualification of direct-investment to corporate bond in China Central Depository & Clearing Co., Ltd. in 2023
- 68 Qualification for margin refinancing
- 69 Qualification of branch account accounting business in Shanghai Pilot Free Trade Zone
- 70 Qualification of participating in the net settlement of bond trade in Shanghai Clearing House
- 71 Qualification of core dealer of CDX contracts on the Shanghai Stock Exchange
- 72 Qualification to conduct Southbound trading under the Shanghai-Hong Kong stock connect
- 73 Qualification of (level one) dealer for fixed income securities on the Shanghai Stock Exchange Integrated Electronic Platform
- 74 Qualification for participating for treasury bonds buyback on the Shanghai Stock Exchange
- 75 Qualification of market maker business of fund on the Shanghai Stock Exchange
- 76 Qualification for bond market maker on the Shanghai Stock Exchange

Section II Company Profile and Key Financial Indicators (continued)

- 77 Qualification of main market maker business of Shanghai and Shenzhen 300ETF options on the Shanghai Stock Exchange
- 78 Qualification of main market maker business of STAR 50 ETF options on the Shanghai Stock Exchange
- 79 Qualification of main market maker business of STAR Market 50 ETF options on the Shanghai Stock Exchange
- 80 Qualification of main market maker business of listed funds on the Shanghai Stock Exchange
- 81 Qualification for general market maker business of SSE 50ETF options contract type on the Shanghai Stock Exchange
- 82 Qualification of main market maker business of SSE 50ETF options on the Shanghai Stock Exchange
- 83 Qualification of main market maker business of CSI 500 ETF options on the Shanghai Stock Exchange
- 84 Qualification for core dealer business of CDX contracts on the Shenzhen Stock Exchange
- 85 Qualification of main market maker business of ChiNext Board ETF options on the Shenzhen Stock Exchange
- 86 Qualification of pilot equity incentive exercising financing business on the Shenzhen Stock Exchange
- 87 Qualification of main market maker business of the Shanghai and Shenzhen 300ETF options on the Shenzhen Stock Exchange
- 88 Qualification of market maker business of fund link on the Shenzhen Stock Exchange
- 89 Qualification of main market maker business of SZSE 100ETF options on the Shenzhen Stock Exchange
- 90 Qualification for core dealer of credit protection contract on the Shenzhen Stock Exchange
- 91 Qualification for market making business of bonds on the Shenzhen Stock Exchange
- 92 Qualification for the pledged quotation repurchase transaction business on the Shenzhen Stock Exchange
- 93 Qualification of main market maker business of CSI 500 ETF options on the Shenzhen Stock Exchange
- 94 Qualification for recommended listing, directional capital increase business on the Dalian equity exchange center
- 95 Qualification of market maker business of styrene options on the Dalian Commodity Exchange
- 96 Qualification of market maker business of soybean meal options on the Dalian Commodity Exchange
- 97 Qualification of market maker business of soyabean oil futures on the Dalian Commodity Exchange
- 98 Qualification of market maker business of polyvinyl chloride options on the Dalian Commodity Exchange
- 99 Qualification of market maker business of liquefied petroleum gas options on the Dalian Commodity Exchange
- 100 Qualification of market maker business of industrial silicon options on the Guangzhou Futures Exchange
- 101 Qualification of market maker business of lithium carbonate options on the Guangzhou Futures Exchange
- 102 Qualification for inter-bank gold price asking transactions on the Shanghai Gold Exchange
- 103 Qualification of market maker business of gold options on the Shanghai Futures Exchange
- 104 Qualification of market maker business of silver options on the Shanghai Futures Exchange
- 105 Qualification of market maker business of zinc options on the Shanghai Futures Exchange
- 106 Qualification of market maker business of aluminum options on the Shanghai Futures Exchange
- 107 Qualification of market maker business of fuel oil futures on the Shanghai Futures Exchange
- 108 Qualification of self-operated clearing house for commodity exchange on the Shanghai Futures Exchange
- 109 Qualification for special unit customers to participate in physical delivery on the Shanghai Futures Exchange
- 110 Qualification of market maker of natural rubber and petroleum asphalt futures on the Shanghai Futures Exchange
- 111 Qualification of market maker business of copper options on the Shanghai Futures Exchange
- 112 Qualification of market maker business of aluminum oxide futures on the Shanghai Futures Exchange

- 113 Qualification of market maker business of the maritime index (Euro) futures on the Shanghai International Energy Exchange
- 114 Qualification for special unit customers to participate in physical delivery on the Shanghai International Energy Exchange
- 115 Qualification of market maker business of crude oil options on the Shanghai International Energy Exchange
- 116 Qualification of main market maker business of sugar options on the Zhengzhou Commodity Exchange
- 117 Qualification of market maker business of rapeseed meal futures on the Zhengzhou Commodity Exchange
- 118 Qualification of main market maker business of rapeseed meal options on the Zhengzhou Commodity Exchange
- 119 Qualification of main market maker business of vegetable oil options on the Zhengzhou Commodity Exchange
- 120 Qualification of main market maker business of parylene options on the Zhengzhou Commodity Exchange
- 121 Qualification of main market maker business of manganese silicon and ferro silicon options on the Zhengzhou Commodity Exchange
- 122 Qualification of main market maker business of peanut options on the Zhengzhou Commodity Exchange
- 123 Qualification of main market maker business of cotton options on the Zhengzhou Commodity Exchange
- 124 Qualification of market maker business of commodity futures on the Zhengzhou Commodity Exchange
- 125 Qualification of market maker business of PTA and methanol options on the Zhengzhou Commodity Exchange
- 126 Qualification of main market maker business of alkali options on the Zhengzhou Commodity Exchange
- 127 Qualification for recommended listing, directional capital increase business on the Zhejiang Equity Exchange Center

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. on September 16, 1996 with the approval of the People's Bank of China under Document Yin Fu [1996] No. 200. The registered capital of Shenyin & Wanguo Securities at the time of its establishment was RMB1,320,000,000.

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 a new “Permit for Conducting Securities Business” from the CSRC.

In September 2005, Central Huijin injected capital into Shenyin & Wanguo Securities by 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 with the administrative department for industry and commerce, 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.

Section II Company Profile and Key Financial Indicators (continued)

By the approval of “approval for alteration of Shenyin & Wanguo Securities Co., Ltd.’s shareholders who 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, representing a 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 was 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.

Report of the Board

Corporate
GovernanceEnvironmental and
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VII. OTHER RELEVANT INFORMATION

(I) Auditors engaged by the Company

Domestic auditor	PricewaterhouseCoopers Zhong Tian LLP
Office address of domestic auditor	Room 01, Unit 507, DBS Bank Building, No. 1318 Lujiazui Ring Road, Shanghai Pilot Free Trade Zone
Name of signing accountants	Shan Feng, Wei Jialiang
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, Guanhua Chang'an Building, No. 7 Jianguomen Inner Street, Dong Cheng District, Beijing, China
Hong Kong legal advisor	Clifford Chance 27/F, Jardine House, One Connaught Place, Central, Hong Kong

(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

Items	2023	2022	Unit: Thousand Yuan Currency: RMB	
			Increase/decrease as compared with the last year (%)	2021
Total revenue and other income	31,916,148	31,575,693	1.08	46,171,470
Profit before income tax	6,092,082	3,049,963	99.74	11,079,122
Profit for the year attributable to shareholders of the Company	4,606,340	2,789,068	65.16	9,398,369
Net cash generated from operating activities	72,727,166	31,464,684	131.14	-38,462,248
Basic earnings per share (in RMB per share)	0.18	0.11	63.64	0.38
Weighted average return on equity (%)	4.72	2.93	Increased by 1.79 percentage points	10.26

Items	December 31, 2023	December 31, 2022	Increase/decrease as compared with the end of last year (%)	
			December 31, 2021	December 31, 2020
Total assets	635,437,418	613,117,025	3.64	601,011,467
Total liabilities	506,643,284	496,437,332	2.06	493,956,873
Total equity attributable to shareholders of the Company	100,145,041	95,044,944	5.37	95,222,008
Share capital	25,039,945	25,039,945	-	25,039,945
Equity per share attributable to shareholders of the Company (in RMB per share)	4.00	3.80	5.26	3.80
Gearing ratio (%) ^{Note}	76.09	77.25	Decreased by 1.16 percentage points	78.43

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 2023 and 2022, and total equity and total equity attributable to shareholders of the Company as of December 31, 2023 and December 31, 2022, there is 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 2023	End of 2022	Increase/decrease as compared with the end of last year
Core net capital	61,478,184	55,160,968	11.45%
Supplementary net capital	30,020,000	25,900,000	15.91%
Net capital	91,498,184	81,060,968	12.88%
Net assets	119,545,005	107,442,414	11.26%
Total risk capital reserves	30,420,937	31,504,007	-3.44%
Total on-balance sheet & off-balance sheet assets	558,552,456	520,295,446	7.35%
Risk coverage ratio	300.77%	257.30%	Increased by 43.47 percentage points
Capital leverage ratio	11.28%	10.89%	Increased by 0.39 percentage point
Liquidity coverage ratio	169.61%	212.12%	Decreased by 42.51 percentage points
Net stable funding ratio	130.47%	136.74%	Decreased by 6.27 percentage points
Net capital/Net assets	76.54%	75.45%	Increased by 1.09 percentage points
Net capital/liabilities	26.44%	24.02%	Increased by 2.42 percentage points
Net assets/liabilities	34.55%	31.84%	Increased by 2.71 percentage points
Equity securities and derivatives held/Net capital	32.60%	49.13%	Decreased by 16.53 percentage points
Non-equity securities and derivatives held/Net capital	321.59%	334.51%	Decreased by 12.92 percentage points

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

1. Profiting status

Unit: Thousand Yuan Currency: RMB

Items	2023	2022	2021	2020	2019
Total revenue and other income	31,916,148	31,575,693	46,171,470	39,156,373	33,251,541
Total expenses	26,401,662	29,271,173	35,873,346	30,099,411	26,606,448
Profit before income tax	6,092,082	3,049,963	11,079,122	9,348,467	6,927,231
Profit for the year attributable to shareholders of the Company	4,606,340	2,789,068	9,398,369	7,766,175	5,735,413

2. Assets status

Unit: Thousand Yuan Currency: RMB

Items	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Total assets	635,437,418	613,117,025	601,011,467	491,124,277	388,537,268
Total liabilities	506,643,284	496,437,332	493,956,873	401,033,687	303,705,861
Total equity attributable to shareholders of the Company	100,145,041	95,044,944	95,222,008	88,464,617	83,206,190
Share capital	25,039,945	25,039,945	25,039,945	25,039,945	25,039,945

3. Key financial indicators

Items	2023	2022	2021	2020	2019
Basic earnings per share (in RMB per share)	0.18	0.11	0.38	0.31	0.24
Diluted earnings per share (in RMB per share)	0.18	0.11	0.38	0.31	0.24
Weighted average return on equity (%)	4.72	2.93	10.26	9.05	7.41
Gearing ratio (%) ^{Note}	76.09	77.25	78.43	77.08	72.77
Equity per share attributable to shareholders of the Company (in RMB per share)	4.00	3.80	3.80	3.53	3.32

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 2023, faced with a complicated and severe international environment and the difficult and heavy tasks of domestic reform, development and stabilization, under the strong leadership of the Party Central Committee with Comrade Xi Jinping at its core, and through measures such as “intensifying macroeconomic adjustment and control, focusing on expanding domestic demand, optimizing the structure, boosting confidence, and preventing and resolving risks”, the economy of China has continued to recover, the overall situation has been improving, high-quality development has been solidly promoted, and the comprehensive construction of a modernized socialist country has made solid strides. The capital market, as an important force for the high quality development of the economy, has continued to deepen the systematic institutional reform, and the reform of the full registration system has been formally implemented, creating new development opportunities for the securities industry. Meanwhile, influenced by the global macro environment and the accumulation of risk sentiment and other factors, the volatility of the capital market intensified, with the major index of the securities market experienced a certain degree of turbulence and downward adjustments during the year, the SSE Composite Index, the SZSE Component Index and the ChiNext Price Index dropped by 3.70%, 13.54% and 19.41%, respectively. With the backdrop of greater pressure on the capital market, the performance of the securities industry still recorded recovery in 2023. Both investment banking and wealth management business were under pressure, while investment and trading business became the growth point of the performance, and the securities industry as a whole showed a steady and progressive development trend.

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

1. The capital market welcomed incremental policy opportunities and promoted the high-quality development of the securities industry

2023 is a key year for the capital market to deepen its reforms in a comprehensive manner. A series of major reforms have been carried out in the capital market around the areas including the full implementation of the reform of the registration system for share issuance, the prevention and mitigation of risks, and the boosting of market confidence. Guided by the objective of “revitalizing the capital market and boosting investor confidence” put forward by the Political Bureau of the Central Committee of the Communist Party of China at its meeting, a package of policies for revitalizing the capital market has been introduced in an orderly and intensive manner from the investment side, the financing side and the trading side, and investor confidence has been boosted; the Central Financial Work Conference clearly stated the objective of “accelerating the construction of a strong financial country”, elevating financial work to a national strategic level, which reflects the high importance and ardent hope of the Central Committee of the Party for the capital market. During the Reporting Period, the registration system for share issuance was fully implemented, and the systems and rules for issuance and listing, refinancing, merger and reorganization, information disclosure, dividend distribution and share repurchase by listed companies has been improved, laying the institutional and market foundations for the high-quality development of the securities industry. On the financing side, the listing of new shares has been strictly controlled, the structure of newly listed enterprises has been optimized, the primary and secondary markets have been balanced and coordinated, and the normalization of new share issuance has been maintained in a scientific and reasonable manner. On the investment side, the reform has been accelerated, the on-market derivatives, passive products and structured products have been expanded, and the medium and long term assessment mechanism has been improved to help long-term capital to enter the market and to protect the stable and healthy operation of the capital market. On the trading side, the reform of fund-raising fee rates is underway, the superior law on private equity funds has been clarified, securities transaction handling fees have been reduced, and the halving of stamp duty has been implemented. Systematic measures have been taken to build long-term confidence, enhance medium and long term stable returns in the capital market and improve the capital market system, so to enhance investors’ sense of gain. With the continuous improvement of the capital market infrastructure, the market ecology has been continuously optimized, the comprehensive deepening of capital market reform has entered a new stage, and the securities industry has embraced a period of high-quality development opportunities.

2. Market reforms are being pushed forward in an orderly manner, and there were both opportunities and challenges for comprehensive services

Starting with the full registration system, the capital market has entered a new stage of reform and innovative development. With the implementation of various policies and measures, capital market in China has continued to expand and the market ecosystem has gradually improved. As the most important participant in the capital market, brokerage firms, in order to achieve the goal of the capital market to serve the real economy and to play the role of a hub, have been welcomed with policy support and are also faced with the challenge of stringent regulation. Under the positioning of “better performing the hub function of the capital market”, the reform of the registration system has been fully implemented, the transformation of wealth management business has been accelerated, the increase in the entry of medium and long term funds into the market from social security funds, basic pension insurance funds, annuity funds, insurance funds, and others has created demand for the institutional business, and the prosperous development of derivatives, market-making transactions, custodianship and businesses further stimulated market vitality and development potential, bringing new profit growth points for securities companies. With the flow of financial resources to scientific and technological innovation, advanced manufacturing, green development, and small and medium-sized enterprises, the brokerage firms have put forward a higher demand for integrated, professional, and full life-cycle services of “investment + investment banking”. Under the main theme of “preventing and resolving financial risks”, the capital market maintained a posture of “zero tolerance” and “stringent supervision”, and during the Reporting Period, the securities regulators continued to strengthen the monitoring and supervision of market trading behavior, conducted tracking and analysis of new trading methods such as quantitative trading, and resolutely cracked down on illegal and unlawful behaviors such as insider trading and market manipulation, and practically safeguarded the benign and healthy market order and ecology. By strengthening the system construction, the supervision has been intensified, the cultural concept of securities industry with “compliance, integrity, professionalism and stability” as the core has been further constructed, and the high-quality development of the securities industry has been continuously promoted.

3. Competition in the industry has shown an accelerated trend of change, driving the all-round transformation and upgrading of securities firms

Benefiting from the significant opportunities brought about by the rapid development of China’s multi-level capital market, the securities industry in China has enjoyed significant growth and has exhibited such development characteristics as increased industry concentration and a combination of asset-heavy and asset-light businesses. With the backdrop of the deepening reform of the capital market and the speeding up of the high level of external liberalization, the competition in the securities industry has become increasingly fierce, with large securities firms growing stronger relying on their strong capital strength, comprehensive business structure, leading innovation capability and comprehensive risk control, while small- and medium-sized securities firms refining their businesses relying on shareholders’ backgrounds, professional expertise and regional competence. From the perspective of business development, changes in the issuance system, transformation of wealth management and the “Matthew Effect” in derivatives business have accelerated the increase in industry concentration. From the perspective of industry regulation, under the regulatory guidance of “cultivating first-class investment bank and investment institution” and the guidance of “optimizing the system of risk control indicators”, the leading brokerage firms and high-quality brokerage firms have been given support to enhance the efficiency of capital utilization, to emphasize the main responsibility and main business of serving the real economy, and to optimize and strengthen the high-quality financial services, thus accelerating the industry concentration. In the future, it is expected to form a pattern of co-existence of carrier-based leading securities firms and boutique-based small and medium-sized securities firms, which will jointly serve different participants in the multi-level capital market.

(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 various decisions and arrangements of the CPC Central Committee and the State Council, firmly grasped the primary task of high-quality development, insisted on the general keytone of “seeking progress while maintaining stability”, continuously optimized the business layout, accelerated the reform and transformation, strengthened risk prevention and control, and continued to enhance the quality and effectiveness of its services to the national strategy. Major performance indicators realized a greater growth, and the industry position steadily improved.

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

In 2023, around the areas including the reform of the full registration system, prevention and resolution of risks and boosting of market confidence, the capital market has carried out a series of major reforms and the construction of the market legal system has been continuously improved. **In terms of infrastructure construction**, in 2023, CSRC issued rules and regulations for the full implementation of the registration system for share issuance. With the full registration system as the starting point, the systems for share issuance and listing, refinancing, merger and reorganization, trading and information disclosure have been comprehensively improved. Fees for public equity funds were reduced, and the mode of transaction settlement for public equity funds was continuously optimized and improved. The first national administrative regulation on private equity fund industry has been released, filling the gap of the lack of superior law in the supervision of private equity funds. The reduction in stamp duty and transaction fees continued to boost capital market confidence. **In terms of market system construction**, the positioning of various exchanges and boards under the full registration system was further clarified, basically forming a market pattern with differentiated development and complementary functions. During the Reporting Period, CSRC issued the “Opinions on Building the Beijing Stock Exchange in a High-quality Way”, which launched a new round of reform of the Beijing Stock Exchange and promoted the integrated development of the multi-level share market and bond market. **In terms of product innovation**, in 2023, over-the-counter derivatives contracts became increasingly abundant, and the STAR Market welcomed the first batch of listed financial derivatives, laying a solid foundation for the creation and hedging of over-the-counter derivatives; for ETFs, the issuance has been accelerated and the market has expanded rapidly, realizing the blossoming of a wide range of products. Equity fund products have been continuously innovated to meet the growing wealth management needs of investors. Public REITS and other specialty products have been vigorously developed, and pilot asset classes have been expanded to include consumer infrastructure, actively serving the capital market with Chinese characteristics. **In terms of dual opening-up**, the interconnection between Mainland China and Hong Kong has been comprehensively expanded. The innovative modes such as interest rate swap market interconnection, dual-counter model for HKD and RMB, and cross-border wealth management have been launched and developed. The qualification of qualified foreign investors has been expanded and foreign financial institutions have been attracted to expand their business in China.

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 development 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:

Investment Banking	Enterprise Finance Principal Investment	Personal Finance	Institutional Services and Trading	Investment Management
<ul style="list-style-type: none"> Equity financing Debt financing Financial advisory 	<ul style="list-style-type: none"> Equity investment Debt investment Other investment 	<ul style="list-style-type: none"> Securities and futures brokerage Margin financing and securities lending Stock-backed lending Sales of financial products 	<ul style="list-style-type: none"> Prime brokerage Research and consultation Proprietary trading 	<ul style="list-style-type: none"> Asset management Mutual fund management Private equity fund management

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

- 2023 Best Practice Cases of Boards of Directors of China Listed Companies
- 2023 Best Practice Case of Board Office of China Listed Companies
- Grade 5A in “2023 Performance Evaluation of the Board Secretary of China Listed Companies”
- One Hundred Excellent Practical Cases in the Decade of “Belt and Road Initiative” Construction

Ministry of Finance

- Financial Statements of National Financial Enterprises for 2022 – Advanced Units of Financial Enterprises Managed by Other Central Government Departments and Organizations

Shenzhen Stock Exchange

- Grade A in Information Disclosure Evaluation Results of Main Board Listed Companies for 2022 – 2023

Directors & Boards magazine

- The 18th “Gold Round Table Award” for Board of Directors of China Listed Companies – “Special Contribution Award in Corporate Governance” in three categories of Company Award
- The 18th “Gold Round Table Award” for Board of Directors of China Listed Companies – “The Most Innovative Board Secretary”

New Fortune

- The 6th New Fortune Best IR of Hong Kong Listed Companies (A+H Shares) Award

Panorama Network

- 2022 Panorama Investor Relations Golden Award for “Outstanding IR Company” and “Best New Media Operation Award”

Securities Market Weekly

- Best Listed Company for Investor Relations Management

Mianyang City Science and Technology Bureau

- 2022 Outstanding Service Organizations in Technology Finance

Shenwan Hongyuan Securities

CSRC

- Rated “Excellent” in the “2022-2023 National Securities and Futures Investors Educational Base Appraisal Results” by Shanghai National Investment Education Base

CSRC, Shanghai Stock Exchange, Shenzhen Stock Exchange

- “Outstanding Case” of Exchange Bond Market Serving the Real Economy

Shanghai Stock Exchange

- 2022 Outstanding Member Award for Investor Education
- 2022 Outstanding Practice Case Award for Investor Protection
- 2022 Specialized Award of “I am a Shareholder” Activity
- Outstanding Corporate Bond Underwriter, Outstanding Underwriter in Serving National Strategies
- 2022 “Top 10 ETF Sellers”

Shenzhen Stock Exchange

- Market Making Contribution Award for New Options
- 2022 Outstanding REITs Liquidity Service Provider
- 2022 Outstanding Intermediary for Fixed Income Innovative Products

China Foreign Exchange Trade System

- 2022 Market Influence Award – Active Dealer of the Year
- 2022 Market Innovation Award – Bond Underwriter Award
- 2022 Market Innovation Award – iDeal Award

China Financial Futures Exchange

- 2022 Bronze Award for Outstanding Market Maker in Treasury Bonds
- 2022 Outstanding Trading Team Award of Treasury Bond Futures (Proprietary)
- Best Contribution Award for Treasury Bond Futures
- Silver Award for Outstanding Market Maker in Stock Index Options, and Market Making Contribution Award for New Options

Dalian Commodity Exchange

- Excellent Market Maker Award, Outstanding Market Maker Award, Advanced Market Maker Award



- └─ **Shanghai Futures Exchange**
 - Gold Award for Market Making Business
- └─ **Zhengzhou Commodity Exchange**
 - Outstanding Option Market Maker Award
- └─ **Beijing Financial Assets Exchange**
 - 2023 Riding the Waves Institution, Building Dreams Institution
- └─ **Shanghai Gold Exchange**
 - 2022 Outstanding Special Member
- └─ **National Interbank Funding Center**
 - 2023 Market Innovation Institution – Bond Underwriting (Underwriter)
 - 2023 Market Impact Institution of the Year – Active Dealer
- └─ **China Securities Investor Services Center**
 - 2023 “Shareholders are Here” Investor Rights Knowledge Competition – Best Organizer Award
- └─ **Shanghai Financial Union**
 - “2023 Investor Education and Protection Award” (Third Prize) in 2023 Shanghai Financial System Staff Merit Competition
- └─ **Shanghai Financial Union, Shanghai Securities Association**
 - Second Prize in the “2023 Shanghai Financial System Staff Merit Competition – Serving the Real Economy”
- └─ **Shanghai Trade Union Federation**
 - “Shanghai Worker Pioneer” in 2023
- └─ **Shanghai Financial Servicing Real Economy Fair**
 - Outstanding Performance Award in Bailing Out Businesses in Difficulty of the Shanghai Finance Industry (Corporate Bond)
- └─ **Futures Daily, Securities Times**
 - Best Futures IB Securities Operating Institution in China
- └─ **New Fortune**
 - The Best ESG Investment Bank, the 8th Best Local Investment Bank, The Best Investment Banking Elite Team – Corporate Bond Project
- └─ **Asia Risk magazine**
 - “Derivatives house of the year, China” Award

- └─ **WIND**
 - Best Bond Underwriter
 - Best Financial Bond
 - Green Bond
 - Corporate Bond
 - Industrial Bond
 - Credit Bond Underwriter

SWS Research

- └─ **Shanghai Municipal Government**
 - Nominee Award of 2021-2022 Shanghai Financial Innovation Award Achievement Award
- └─ **Shanghai Committee of Chinese Communist Youth League**
 - Third Prize of 2022 Striving Cup Shanghai Youth Financial Business Innovation Competition
- └─ **New Fortune**
 - Best Analyst Selection – The First of the Best ESG Practice Reach Institution
 - Best Analyst Selection – The Second of Best Beijing Stock Research Team
 - Best Analyst Selection – The Third of Most Influential Research Institution
 - Best Analyst Selection – The Fourth of Best Local Research Team
 - Best Analyst Selection – The Fifth of Overseas Market Research Team
- └─ **Securities Market Weekly**
 - Vendor’s Crystal Ball Best Analyst Selection – The Fifth of Best Local Research Team
- └─ **Shanghai Securities News**
 - Best Analyst Selection – The Fourth of Most Influential Institution
- └─ **China Securities Journal**
 - Golden Bull Award Best Analyst Selection – The Third of Most Popular and Influential Research Institution
- └─ **21st Century Business Herald**
 - Gold Analyst Selection – Best Institution Serving High-quality Development of Investment Institutions
 - Gold Analyst Selection – Best Institution Serving Innovation and Entrepreneurship Construction with High Quality Development

Sina Finance

- Golden Kirin Best Analyst Selection – The Fifth of Best Industry Research Institution
- Golden Kirin Best Analyst Selection – The Seventh of Most Honorable Research Institution

International Group

Hong Kong Stock Exchange

- 2022 Most Active Brokers – Structured Products

Chinese US Dollar Fund Summit Forum and Xinzhi Fund Selection

- Excellent Institution Award for New Energy Industry Investment

Securities Times

- 2023 Overseas Investment Bank Junding Award of China Securities Industry

New Fortune

- Most Creative Project

SWS MU

Chinafund News

- Partner of Alliance for Fund Investor Education of Chinafund News
- SWS MU New Energy Vehicle Ying Hua Award 25-year Demonstration Case of Mutual Funds

Xinhua Finance

- New-comer Financial Advisory Award for Fund Investment Advisory

Eastmoney

- 2023 Marketing Innovation Fund Company
- 2023 Outstanding Pension Investor Education Service

Shanghai Fintech Industry Alliance

- Shanghai Fintech Excellent Application Scenario Award (Key Assumption Platform Project)

The People's Bank of China

- “Key Assumption Platform Project KAP” won the Third Prize of the Central Bank Financial Technology Development Award

Shenwan Hongyuan Financing Services

WIND

- WIND Best Investment Bank – Best A Share IPO Underwriter

- WIND Best Investment Bank – Best Beijing Stock Exchange Equity Underwriter
- WIND Best Investment Bank – Best NEEQ Lead Securities Company
- WIND Best Investment Bank – Best Financial Advisor of M&A and Restructuring in China

New Fortune (16th)

- The 8th Best Local Investment Bank
- The 8th Best Equity Underwriting Investment Bank
- The 8th Best Refinancing Investment Bank
- Most Creative Project – Listing on Main Board of The Stock Exchange of Hong Kong Limited by Way of Introduction of Domestically Listed Foreign Shares of Huaxin Cement Co., Ltd. (華新水泥股份有限公司)
- Best Investment Banking Elite Team (IPO Project) – 2022 Main Board IPO of Xinjiang Lixin Energy Co., Ltd. (新疆立新能源股份有限公司), 2022 Beijing Stock Exchange IPO of Shenzhen Yunli Wuli Technology Holdings Co., Ltd. (深圳雲裏物裏科技股份有限公司)
- Best Investment Banking Elite Team (Refinancing Project) – 2022 Non-public Offering by TCL Technology Group Co., Ltd. (TCL科技集團股份有限公司)
- Best Investment Banking Elite Team (Convertible Bonds Project) – 2022 Public Issuance of Convertible Corporate Bonds Project of Xinjiang Tianye Co., Ltd. (新疆天業股份有限公司)
- The 5th Best Best Practicing ESG Investment Bank – Shenwan Hongyuan Securities (Consolidated)

Shanghai Stock Exchange

- Outstanding Underwriter in Serving National Strategy

Securities Times

- 2023 Comprehensive Investment Bank Junding Award of China Securities Industry
- 2023 Overseas Investment Bank Junding Award of China Securities Industry

China Securities Journal

- Golden Bull Investment Bank Team

China Business Network

- 2023 Investment Banks TOP10

Financial Times

- Best Securities Company Serving Small and Medium Enterprises of the Year



Organizing Committee of the 17th Session of Shanghai Financial Servicing Real Economy Fair

- Outstanding Achievement Award for Shanghai Financial Industry Supporting Construction of Science and Technology Innovation Centers (Anji Technology)

Shenwan Hongyuan Securities (Western)

China Securities Investor Services Center

- 2023 “Shareholders are here” Investor Rights Knowledge Competition won the Best Organization Award, Best Organizer Award, Best Co-organizer Award, and Best Promotion Ambassador Award

Shenyin & Wanguo Investment

Shanghai Private Equity Association

- “The Best FoF of the Year” Award of 2022 in “PEAS 2022 Equity Investment List”

Securities Times

- “Outstanding PE Institution of the Year” Award of 2023 China Venture Capital Golden Eagle Awards

Shanghai Biopharmaceuticals Industry Association

- 2022 Most Active Financial Service Institution in China’s Biomedical Industry of “2023 China Biomedical Science and Technology Innovation Value List”

Shenwan Hongyuan Asset Management

Securities Times

- 2023 Annual Summit of Chinese Financial Institutions – 2023 Junding Award for Asset Management Quantitative Team of China Securities Industry
- 2023 Annual Summit of Chinese Financial Institutions – 2023 Junding Award for Asset Management Equity Team of China Securities Industry
- 2023 Junding Award for Public Equity Products of China Securities Industry – Shenwan Hongyuan Securities Asset Management – Shenwan Hongyuan Hongli Growth

China Securities Journal

- One-year Stock Multi-position Asset Management Plan of 2023 Securities Company Collective Asset Management Plan Golden Bull Award: Shenwan Hongyuan Beautiful Life Domestic Demand Growth Collective Asset Management Plan
- One-year Hybrid Bond (Level 2) Asset Management Plan of 2023 Securities Company Collective Asset Management Plan Golden Bull Award: Shenwan Hongyuan Shenli Anying No.1 Collective Asset Management Plan

Shanghai Financial Leasing Industry Association

- 2022 Leasing Industry Investment and Financing Industry Financial Service Institution Award: Shenwan Hongyuan Securities Co., Ltd.

The 7th China Real Estate Securitization and REITs Summit Forum

- Annual Outstanding Contribution Institution

Shenwan Futures

Shanghai Securities Association, Shanghai Futures Association

- “Outstanding Organization Unit” of the 2nd Shanghai Securities and Futures Industry Micro-course Competition

Shanghai Futures Association

- Third prize of the Key Contribution Competition Outstanding Innovation Case Award in 2023 Shanghai Financial Employees Contribution Competition Activities

China Financial Futures Exchange

- Outstanding Analyst Team for Stock Index Futures and Options

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 Integrity and Self-discipline Futures Company
- Best Corporate Culture Brand Building Award
- Outstanding Asset Management Product of the Year
- Best Capital Operator Award
- Best Risk Management Subsidiary Service Innovation Award

- New-comer Award for Internationalization
- Best Comprehensive Derivatives Service Innovator Award in China
- Investor Protection Education Innovation Award of the Year
- Best Contribution Award for Futures Talent Cultivation Institution
- Gold Medal Management Team of Futures Broker in China
- Thirty-year Huazhang Award of China Futures Market
- Best Futures IB Securities Operating Institution
- Gold Futures Research Institute in China
- Best Digital Transformation Futures Business Institution
- Best Macro Financial Futures Research Team
- Best Ferrous Industry Futures Research Team
- Best Metal Industry Futures Research Team
- Best Energy and Chemical Industry Futures Research Team
- Best Agricultural Products and Industry Futures Research Team

Securities Times

- 2023 Junding Award for China Leading Futures Company
- 2023 Junding Award for China Outstanding Futures Asset Management Products

Stock Star

- 2023 Capital Power Annual Awards – Outstanding Futures Company of the Year
- 2023 Capital Power Annual Awards – Rural Revitalization Pioneer Award of the Year

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

- Futures Innovative Model Unit Case for Supporting Rural Revitalization

Information Technology Application Innovation Alliance of Securities and Fund Industry

- 2022 Outstanding Member Award Outstanding Award

Zhengzhou Commodity Exchange

- Outstanding Member
- Institutional Service Outstanding Member
- Option Market Service Award
- Agricultural Industry Service Award
- Chemical Industry Service Award

- Photovoltaic Building Materials Industry Service Award
- Metallurgical Industry Service Award
- Outstanding Risk Management Company

China Financial Futures Exchange

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

Dalian Commodity Exchange

- Outstanding Member Gold Award
- Outstanding Institutional Service Award

Shanghai Futures Exchange

- Outstanding Member Gold Award
- Market Progress Award
- Steel Industry Service Award
- Nonferrous Industry Service Award
- Energy and Chemical Industry Service Award
- Option Market Service Award

Pystandard

- 2023 Third China Asset Management & Wealth Management Industry “Golden Award” – Futures Company with Superior Asset Management Capabilities

China Rural Credit Cooperative Newspaper (《中國農村信用合作報》社)

- 2023 Publicity and Research Base for Comprehensive Promotion of Rural Revitalization through Financial Services

Shanghai Committee of Chinese Communist Youth League

- Youth Civilization

Insurance Asset Management Association of China

- Most Potential Futures Company



Organizing Committee of the 17th Session of Shanghai Financial Servicing Real Economy Fair

- Outstanding Achievement Award for Shanghai Financial Industry Supporting Construction of Science and Technology Innovation Centers

Hongyuan Futures

China Financial Futures Exchange

- 2022 Outstanding Member Platinum Award
- 2022 Risk Management Service Award (Treasury Bonds Futures)
- Outstanding Award for the 10th Anniversary Essay Campaign of Treasury Bond Futures
- Outstanding Performance Award for the 10th Anniversary Essay Campaign of Treasury Bond Futures

Shanghai Futures Exchange

- First Prize of 2022 Natural Rubber “Insurance + Futures” Pilot Project
- “Diamond Award for Market Making Business” (Hongyuan Hengli)
- 2022 “Outstanding Member Award”, “Precious Metals Industry Service Award”, “Option Market Service Award”
- First Prize of “Improving Futures Operation Quality”, Option Customer Development Excellence Award, Outstanding Sales Department for Options Promotion of “Improving the Operation Quality of Option Market” (Shenyang Branch), “Songlin Cup” Industrial Training Lesson Plan Competition – Outstanding Works Award, Outstanding Organization Award

Zhengzhou Commodity Exchange

- 2022 “Outstanding Member”, “Option Market Service Award” and “Agricultural Product Service Award”; Hongyuan Futures Urumqi Sales Department was awarded the “Outstanding Agricultural Industry Service Sales Department” and Nomination Team of “Investor Education Pioneer”

Dalian Commodity Exchange

- 2022 “Outstanding Member Gold Award”, title of “Best Friend of Investor Education”

China Futures Association

- 2023 Annual Influence Research Report on the Futures Industry (Discussion on the Importance of “Silicon Energy” Whole Industry Chain Futures), Best Friend of Investor Education in Dayan & Friends

Shanghai International Energy Exchange

- “Outstanding Member Award”

Securities Times

- 2023 China Futures Industry Junding Award – Junding Award for China Futures Company Leaders

21st China’s Financial Champion Awards

- Annual Futures Leader and Annual FinTech Innovation Award (independent development and independent construction of “Futures Winner APP (期貨贏家APP)”) in 2023 Annual Conference of Financial China and 21st Financial Annual Champion Awards

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

- Futures Model Unit for Supporting Rural Revitalization, Publicity and Research Base for Comprehensive Promotion of Rural Revitalization through Financial Services, Outstanding Award for 2023 Outstanding Works Selection, 2023 Advanced Unit of News Publicity and Reporting of Rural Financial System

Futures Daily, Securities Times

- “Best Metal Industry Futures Research Team” (Metal Team of Research Institute), “Best Agricultural and Sideline Products Futures Analyst” (Xiao Fengbo); Outstanding Asset Management Product of the Year (Hongzhi Baifen No.2 FOF); Best China Futures Branch (Beijing Branch).

China Association for Public Companies

- Outstanding Practice Case of “Listing Companies Using Futures Market to Manage Risks” (Hedging “Icing On the Cake (錦上添花)” – Jiahua Energy Chemical Co., Ltd. Using Futures Market to Manage Risks) and Explorative Practice Case (Flexibility in the Use of Power to Meet Personalized Needs – Hengli Petrochemical Using Futures Market to Manage Risks).

III. CORE COMPETITIVENESS ANALYSIS

In accordance with strategic requirements, the Company fully 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 2023, in the face of the complex and severe external environment and arduous and heavy task of reform and development, the Company insisted on the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, seriously implemented the spirit of the 20th Party Congress and important decisions and deployments of the CPC Central Committee and the Party Committee of CIC, firmly grasped the primary task of high-quality development. Based on the general keynote of “seeking progress while maintaining stability”, the Company adhered to the coordinated development and security, continued to increase strategic investment in light capital business, and built core competitiveness. As for asset-heavy businesses, the Company made efforts to enhance the capabilities to resist risks and fluctuations, and achieved good business performance through multiple measures and synergistic coherence.

(I) Overall Situation

In 2023, the Group achieved total revenue and other income of RMB31,916 million, representing a year-on-year increase of 1.08%; profit before income tax of RMB6,092 million, representing a year-on-year increase of 99.74%; profit for the year attributable to shareholders of the Company of RMB4,606 million, representing a year-on-year increase of 65.16%; basic earnings per share of RMB0.18, representing a year-on-year increase of 63.64%; weighted average return on net assets of 4.72%, representing a year-on-year increase of 1.79 percentage points. As of December 31, 2023, the Company's total assets amounted to RMB635,437 million, representing an increase of 3.64% compared to the beginning of the year; and the total equity attributable to the shareholders of the Company amounted to RMB100,145 million, representing an increase of 5.37% 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:

Segment	Total revenue and other income	Total expenses	Profit before income tax margin ^{Note} (%)	Unit: Thousand Yuan Currency: RMB		
				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	3,928,647	3,058,479	32.13	10.20	-2.35	4.79
Including: Investment banking	2,035,348	1,481,567	27.21	-12.87	-4.47	-6.40
Principal investment	1,893,299	1,576,912	36.18	54.05	-0.27	16.26
Personal finance	10,777,369	8,402,445	22.04	-4.01	-12.94	8.00
Institutional services and trading	15,756,758	13,572,591	13.86	5.28	-7.69	12.10
Investment management	1,453,374	1,368,147	5.86	-19.97	-23.36	4.16
Total:	31,916,148	26,401,662	18.75	1.08	-9.80	9.31

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

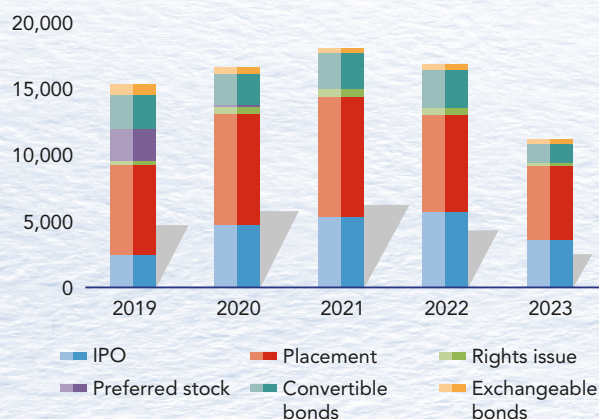
Targeting enterprise clients, our enterprise finance business consists of investment banking business and principal investment business. The investment banking business includes equity financing, debt financing and financial advisory, while the principal investment business includes equity investment, debt investment and other investment. During the Reporting Period, the enterprise finance business segment of the Company recorded total revenue and other income of RMB3,929 million, representing an increase of 10.20%, including RMB2,035 million from the investment banking business segment, and RMB1,893 million from the principal investment business segment.

(1) *Investment banking business*

Market environment:

Domestic Equity Financing Size (2019-2023)

Unit: '00 million Currency: RMB

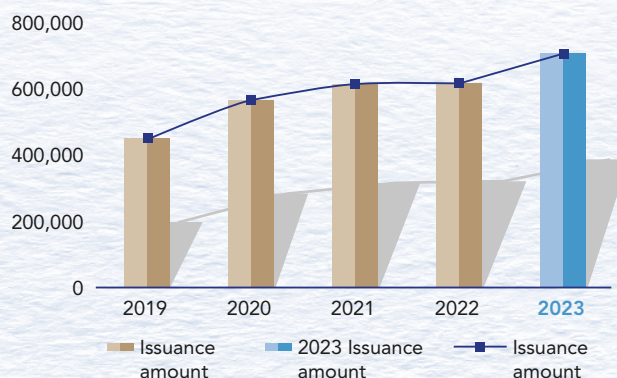


Notes:

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

Domestic Debt Financing Size (2019-2023)

Unit: '00 million Currency: RMB



Notes:

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

a. *Equity financing*

The domestic market continued to be affected by multiple risk factors such as the upgrading of global trade conflicts, frequent geopolitical conflicts and increasing pressure on the domestic economy, coupled with the impact of the tightening of the issuance pace of IPO and refinancing by regulators, 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 2022. The number of IPOs, the number and size of refinancing projects dropped significantly. During the Reporting Period, a total of 313 A-share IPOs were listed, a decrease of 26.87% year-on-year, and the amount of initial public offering reached RMB356.539 billion, decreased by 39.25% year-on-year. The scale of A-share refinancing reached RMB777.891 billion, a decrease of 29.37% year-on-year. In particular, the scale of private placement reached RMB578.951 billion, a decrease of 19.92% year-on-year; the total issuance scale of convertible bonds reached RMB140.575 billion, a decrease of 48.61% year-on-year. (WIND, based on the data on the listing date, 2023).

As for the overseas market, affected by the market environment, in 2023, the amount of equity financing in the Hong Kong market was HKD150.712 billion, a year-on-year decrease of 40.7%. In particular, the total amount of IPO financing was HKD46.295 billion, a year-on-year decrease of 55.8%. (Hong Kong Stock Exchange, 2023)

b. Debt financing

In the domestic market, in 2023, the bond primary market showed an overall pattern of “cold before and warm after”. The issuance size of credit bonds was RMB18.98 trillion, an overall increase of 5.08% compared to 2022. In particular, the issuance size of enterprise bond decreased significantly, while the issuance size of financial bonds, corporate bonds and PPN increased significantly, and other types remained relatively stable overall.

In the overseas market, there was a sharp adjustment in the Chinese-funded offshore bonds market due to the Fed’s record rate hike cycle. The number of Chinese-funded offshore bonds in 2023 was 794, with a total issuance size of USD123.08 billion (Bloomberg, 2023). With the acceleration of RMB internationalization and competitive financing costs, the attractiveness of overseas RMB bonds and FTZ RMB bonds has increased significantly.

c. Financial advisory

Affected by the complex domestic and overseas economic situation, the overall activity of mergers and acquisitions transactions by domestic enterprises did not increase significantly compared to last year. The transformation of old driving forces, improvement of asset resource utilization efficiency, enhancement of competitive strength in cutting-edge fields, guidance of financial transformation from virtual to real and cultivation of a number of world-class large enterprises have become the main themes of new stage of China’s economic development. Due to factors such as stricter restructuring approval and the decrease in the valuation of listed companies, the number and scale of mergers and acquisitions projects that require audit showed a double downtrend during the Reporting Period.

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, insisted on the organic unification of economic responsibility and social responsibility, and continued to enhance its financial service capabilities for major national development strategies. The Company 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 Innovation

Implemented national technological self-reliance and self-improvement strategy and supported science and technology innovation finance

Equity financing: the Company closely focused on the major strategic deployment of technological self-reliance and self-improvement, implemented the spirit of comprehensive implementation of the stock issuance registration system reform, and fully served technology innovation enterprises to carry out equity financing. During the Reporting Period, the Company supported the accelerated development of strategic emerging industry integration clusters and enterprises featured by “specialization, refinement, specialization and novelty”, and completed a total of 16 benchmark projects with a total financing scale of RMB12.2 billion. The Company supported a number of high-tech enterprises including Sichuan Huafeng Technology Co., Ltd. (四川華豐科技股份有限公司) (688629.SH), Hangzhou Raycloud Technology Co., Ltd (杭州光雲科技股份有限公司) (688365.SH) and Anji Microelectronics Technology (Shanghai) Co., Ltd. (安集微電子科技(上海)股份有限公司) (688019.SH) to conduct equity financing activities on the STAR Market. In addition, the Company utilized overseas capital market resources to support science and innovation finance, and completed the two Swiss GDR projects, namely Zhejiang Hangke Technology Co., Ltd. (浙江杭可科技股份有限公司) (“Hangke Technology”) and Zhejiang Zhongkong Technology Co., Ltd. (浙江中控技術股份有限公司), which were listed on the STAR Market. Among them, Hangke Technology is the first GDR project on the STAR Market; and supported the listing of UBTECH ROBOTICS CORP LTD (“UBTECH”), a well-known robot company, on the Hong Kong Stock Exchange, which are an important milestone cases for the Company to actively serve science and technology innovation enterprises to actively integrate into the international capital market, enhance the allocation of global capital factor resources, and promote the development of internationalization strategy.

Debt financing: during the Reporting Period, the Company issued 33 technology innovation bonds, with an actual underwriting scale of RMB11.109 billion, representing a year-on-year increase of 125%.

Implemented the national carbon peak and carbon neutrality strategy and supported green finance



Serving green finance

Equity financing: the Company actively became a practitioner, contributor and promoter of the concept of green finance, supported the financing of clean energy, energy conservation, environmental protection and other green industries, and successfully supported Guangdong Mingyang Electric Co., Ltd. (廣東明陽電氣股份有限公司) (301291.SZ), a green environmental protection and new energy enterprise, and Fujian Nanwang Environmental Protection Technology Co., Ltd. (福建南王環保科技股份有限公司) (301355.SZ), a resource recycling enterprise, to list on the ChiNext Board.

Debt financing: during the Reporting Period, the Company successfully issued a total of 21 green bonds, carbon neutral bonds and sustainable linked bonds, with an actual underwriting scale of RMB13.603 billion and a total issuance size of RMB159.750 billion.

Serving national strategies

Specific measures



Serving industry optimization and upgrading

Implemented national requirements for supplementing, strengthening and stabilizing the supply chain, and supported supply chain finance

Equity financing: the Company focused on the key industrial chain of the manufacturing industry, supported enterprises at core nodes of the industry chain, key core technologies, and actively provided equity financing services to relevant enterprises at the weak links of key core technologies and parts and components. The Company provided equity financing services totaling RMB9.67 billion to a number of advanced manufacturing enterprises, including Zhejiang Tianhong Lithium Battery Co., Ltd. (浙江天宏鋰電股份有限公司) (873152.BJ), Wuhan Accelink Technology Co., Ltd. (武漢光迅科技股份有限公司) (002281.SZ), and Wuxi Lingge Machinery Technology Co., Ltd. (無錫靈錫機械科技股份有限公司) (833284. BJ).

Debt financing: during the Reporting Period, the Company completed the issuance of 6 bonds related to supporting strategies for construction of modern industrial system, with an actual underwriting scale of RMB1.658 billion and a total issuance size of RMB5.7 billion.



Serving the "Belt and Road Initiative"

Implemented the national "Belt and Road Initiative" work deployment and supported cross-border finance

Equity financing: during the Reporting Period, the Company actively responded to the deployment requirements of high-quality joint construction of the "Belt and Road Initiative", and encouraged the contracting and undertaking of the "Belt and Road Initiative" investment banking projects. By relying on Xinjiang's support for the construction of the "core areas on the Land Silk Road", the Company completed the IPO project of Xinjiang Baodi Mining Co., Ltd. (新疆寶地礦業股份有限公司) (601121. SH).

Debt financing: during the Reporting Period, the Company issued 48 bonds related to the "Belt and Road Initiative", with an underwriting scale of RMB23.079 billion and a total issuance size of RMB118.390 billion.



Serving the inclusive finance

Implemented the national development requirements for common prosperity, and supporting inclusive finance

Equity financing: With the NEEQ and Beijing Stock Exchange business as the focus for serving small and medium-sized enterprises, the Company maintained the industry leading advantage of being the first in the industry in terms of cumulative listed projects, the first in terms of the number of listed companies on the Beijing Stock Exchange in 2023 and the second in terms of the number of enterprises under continuous supervision. During the Reporting Period, the Company provided listing and refinancing services to 10 small and medium-sized enterprises, with a total financing scale of RMB3.098 billion. As for the NEEQ business, the Company completed 53 directed offerings and listings, raising RMB1.114 billion, both ranking second in the industry. The Company continued to strengthen the promotion and training of inclusive finance policies, and collaborated with local financial bureaus and other units to carried out 67 inclusive presentations, which 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. The Company reduced and exempted the continuous supervision fees for 76 small and medium-sized enterprises with operational difficulties, with a total waiver of RMB5.493 million.

Debt financing: during the Reporting Period, the Company completed the issuance of 20 inclusive financial bonds of China Construction Bank, Bank of Beijing, Bank of Guizhou and Bank of Hunan, etc., with an actual underwriting scale of RMB8.51 billion and a total issuance size of RMB86.639 billion.

Serving national strategies

Specific measures



Serving Major Regional Strategies

Implemented the regional development strategy of China to support regional finance

Equity financing: the Company supported major regional development strategies of China, and provided equity financing services amounting to RMB11.448 billion to enterprises related to major regional strategies such as the “Beijing-Tianjin-Hebei Coordinated Development” and the “Yangtze River Delta Integration”.

Debt financing: during the Reporting Period, the Company completed the issuance of 602 bonds related to supporting major regional development strategies, with an actual underwriting scale of RMB270.487 billion and issuance size of RMB1,753.073 billion.



Serving rural revitalization

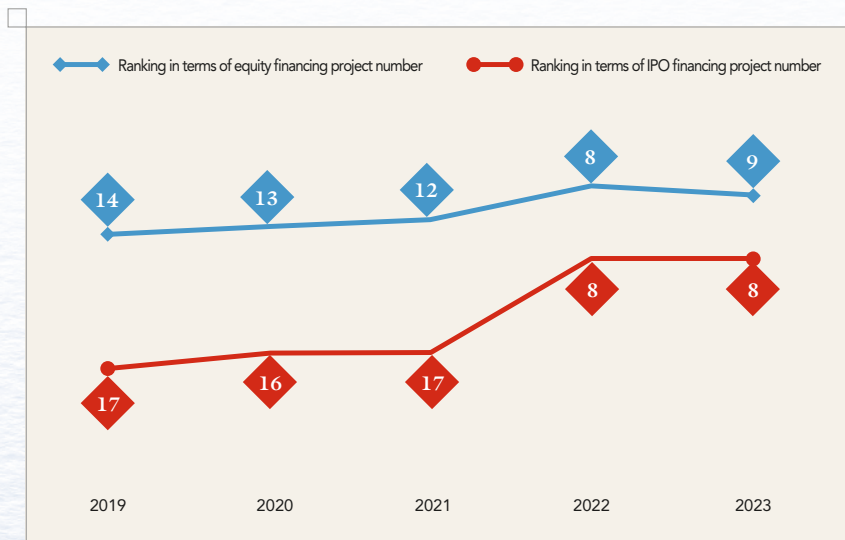
Debt financing: during the Reporting Period, the Company issued 11 bonds to serve rural revitalization, with an underwriting scale of RMB4.853 billion and a total issuance size of RMB27.55 million, and helped the national rural revitalization strategy with practical actions.

During the Reporting Period, the Company’s equity financing and debt financing businesses performed outstandingly well, comprehensive and stable at the forefront of the industry, the Beijing Stock Exchange and NEEQ businesses have a profound foundation and are leading in the industry, and the major investment banking business line has fully entered a new stage of development.


a. Equity financing




In terms of domestic equity financing, during the Reporting Period, the Company’s total equity underwriting scale was RMB14.633 billion for 28 enterprises, ranking the ninth in the industry in terms of underwriting number. The underwriting scale for IPOs was RMB8.218 billion for 14 enterprises, ranking the tenth in the industry in terms of underwriting scale and the eighth in the industry in terms of underwriting number. In particular, the underwriting scale for IPOs on the ChiNext Board was RMB4.342 billion for 4 enterprises, ranking the eighth in the industry in terms of underwriting scale; the underwriting scale for IPOs on the Beijing Stock Exchange was RMB1.105 billion for 6 enterprises, ranking the first in the industry in terms of underwriting number, and was awarded the second place in the overall score of the 2023 Practice Quality Evaluation by Beijing Stock Exchange and NEEQ Company. The underwriting scale of refinancing was RMB6.414 billion for 14 enterprises, ranking the eleventh in the industry in terms of underwriting number. (WIND, 2023, based on the data on the listing date)

Ranking of the Company's equity financing from 2019 to 2023 (WIND, the listing date)



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 53 NEEQ directed offerings and listings, raising RMB1.114 billion, both ranking second in the industry. As of the end of the Reporting Period, the Company provided continuous supervision for 570 NEEQ-listed enterprises, ranking the second in the industry, including 183 enterprises on the innovative layer, ranking the second in the industry; the Company accumulatively recommended 846 enterprises for listing, provided 917 private placements for listed enterprises, and conducted equity financing in an amount of RMB37.129 billion for listed enterprises, all ranking the first in the industry (CHOICE, based on the data on the listing date). Since the opening of the Beijing Stock Exchange (including select tier), the Company accumulatively served 21 enterprises listed on the Beijing Stock Exchange, raising a total of RMB4 billion, both ranking the second in the industry (WIND, based on the data on the listing date).

 NEEQ	Continuous supervision for 570 NEEQ-listed enterprises		Continuous supervision for 183 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
	846	917	RMB37.129 billion	

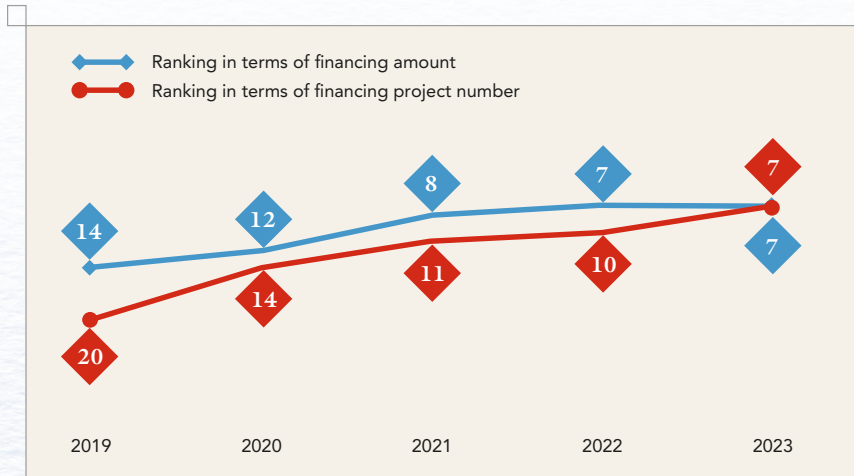
 Beijing Stock Exchange	Ranking	Cumulative underwriting of 21 companies	Accumulatively raised proceeds of RMB4 billion
			

In terms of overseas equity financing business, the Company proactively exerted domestic and overseas linkage advantages, steadily promoted its cross-border business and overseas presence, the sponsored and underwritten project reserve has been gradually increased and the project turnover was gradually sped up. During the Reporting Period, the Company participated in 11 IPO projects as an underwriter, 2 GDR projects and 1 placement project. In particular, the Company assisted Hangke Technology, a lithium-ion battery equipment enterprise in the PRC, in issuance of GDRs and listed on the SWX Swiss Exchange, which is the first GDR project on the STAR Market, and supported the listing of UBTECH, a well-known robot company, on the Hong Kong Stock Exchange.

b. Debt financing

In respect of domestic bond financing business, the Company maintained a stable development trend in the bond financing business, the amount and number of lead underwriting for various types of bonds increased significantly compared to 2022, and the industry ranking and market influence are gradually stabilizing. For four consecutive years, the Company has been rated as a Class A brokerage firm by the China Securities Association for corporate bond business practice ability. During the Reporting Period, the lead underwriting scale of corporate bonds (corporate bonds + financial bonds + enterprise bonds + non-financial enterprise debt financing instruments) was RMB262.054 billion, ranking seventh in the industry in terms of underwriting scale, and the number of lead underwriting was 572, ranking seventh in the industry in terms of underwriting number, up by 3 places compared to the end of 2022. (WIND, 2023)

Ranking of the Company's debt financing from 2019 to 2023 (WIND, the listing date)



Note: Based on the data of corporate bonds, financial bonds, enterprise bonds and non-financial enterprise debt financing instruments

During the Reporting Period, the Company actively implemented the requirements of serving national strategies, and expanded and designated projects for serving national strategies and featured business types. 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.

- Company Profile and Key Financial Indicators
- Report of the Board
- Corporate Governance
- Environmental and Social Responsibility
- Significant Events
- Changes in Shares and Shareholders
- Profile of Bonds
- Financial Statements

In terms of overseas debt financing business, the Company continued to intensify project development and cross-border business synergy, and focused on overseas bond projects of large-scale enterprises, comprehensive state-owned enterprises and other quality enterprises. The Company completed 126 overseas bond projects during the Reporting Period. In particular, the Company assisted the People's Government of Guangdong Province, the People's Government of Hainan Province and the People's Government of Shenzhen City in issuance of overseas government bonds in a total amount of RMB12 billion, assisted Chongqing Fuling Industrial Development Group in issuance of Mingzhu bonds in an amount of RMB1.6 billion, which was the largest in scale of single pure credit FTA bonds in the central and western China, and assisted AVIC International Leasing Co., Ltd. in successful issuance of the first green FTA offshore bonds of state-owned financial leasing company in the PRC.

c. Financial advisory

In terms of domestic financial advisory, during the Reporting Period, the number of financial advisory projects of the Company (based on the data of first disclosure) was 12, ranking the fifth in the industry; and completed M&A and restructuring for 2 financial advisory projects. (WIND, 2023)

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 15 new financial advisory projects.

Outlook for 2024:

In 2024, opportunities and challenges will coexist in investment banking business. In the short term, the pace of IPO and refinancing will be periodically tightened, and the income from investment banking business will be under pressure. In the long term, whether from the direction of economic recovery or capital market reform policies, the capital market is expected to experience positive changes, and the Company continue to be optimistic about the long-term high-quality development of investment banking business under the comprehensive registration system. The Company will accelerate the transformation from traditional project-focused investment banking business model to customer-focused business model, firmly establish the "customer-centric" service tenet, adhere to the business philosophy of "simple finance, achieving dreams", and insist on taking finance servicing the real economy as its fundamental purpose. 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. The Company will proactively respond to 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 2023, the equity investment market entered a stage of adjustment and development, with the overall investment scale showing a downward trend. The further correction of the capital market and the tightening of IPOs brought pressure and challenges to the investment exit from the primary market. Besides, the market competition pattern also changed to a certain extent, the proportion of foreign currency investment decreased significantly, and government guided funds and industrial capital, etc. became the main new forces. With the release of a series of domestic policies, the field of equity investment has been given a more important strategic position. 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.

In 2023, regarding the principal investment business, the Company proactively served national strategies, fully supported high-quality transformation and development of the real economy, gave full play to the Company’s comprehensive financial advantages and strategic synergy, continuously strengthened investment in the fields of “specialization, refinement, specialization and novelty” and “three-new, one high”, and deeply developed high-quality enterprises in the fields of new energy and information technology, high-end manufacturing and new materials and realized the growing effectiveness of integrated financial services. During the year, Shenyin & Wanguo Alternative Investment added 8 new equity investment projects, 1 co-investment project on the STAR Market. Of the existing equity investment projects, 1 project realized the initial public offering on the STAR Market. Hongyuan Huizhi actively served national strategies, further optimized asset allocation, vigorously strengthened collaborative services, actively explored business transformation and newly added 57 investment projects. Various businesses have developed steadily, and the market competitiveness has continued to improve.

Outlook for 2024:

In 2024, the Company will continue to deepen the integrated financial service system featuring “research + investment + investment banking”, proactively connect with the needs of serving national strategies, focus on the “five major articles” of science and technology finance, green finance, inclusive finance, pension finances and digital finance, continue to deeply develop key industries, continuously enhance professional investment management capabilities, prudently promote equity investment and co-investment on the STAR Market, further strengthen post investment exit management and post investment empowerment work, 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 RMB10,777 million, representing a year-on-year decrease of 4.01%.

(1) Securities brokerage business

Market environment:

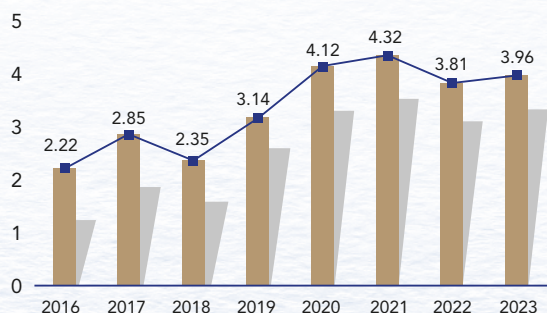
In 2023, with the implementation of the comprehensive registration system and the “19 Articles on deep reform of the Beijing Stock Exchange”, the capital market ushered in a year of reform, and the overall performance of the market was under pressure. The SSE Composite Index, SZSE Component Index and ChiNext Price Index dropped by 3.70%, 13.54% and 19.41% respectively (WIND, 2023). The market trading declined compared to 2022. In 2023, the total share-based turnover in all markets was RMB239.99 trillion, representing a year-on-year decrease of 3.10%. In particular, the share turnover was RMB12.21 trillion, representing a year-on-year decrease of 5.48%, and the fund turnover was RMB27.78 trillion, representing a year-on-year increase of 19.95% (Shanghai and Shenzhen Stock Exchanges, 2023). During the Reporting Period, securities companies were committed to creating the “customer-centric” service concept and 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 existing customers. Securities companies continued to make progress in deepening market segmentation, optimizing classification and grading, and developing accurate customer profiles. The transformations of wealth management business have achieved initial success. In the industry, asset allocation service has become the first demand of current high net worth client base, and the wealth management business of securities companies 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. China’s securities industry continued to make efforts to transform the wealth management business.

Operating measures and results:

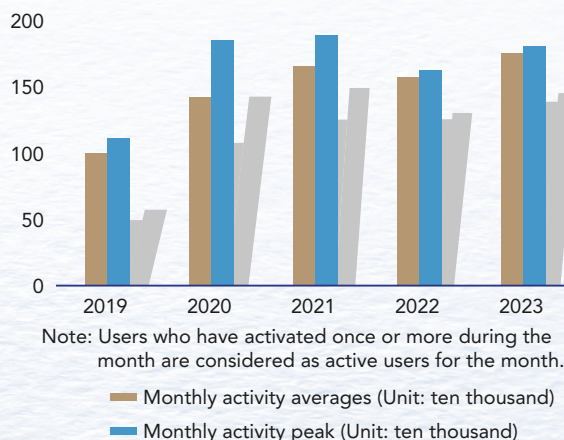
With the goal of “progressing while maintaining, refining while progressing”, the securities brokerage business of the Company actively strengthened its ability to acquire customers and investments, improved the standardized retail customer service system, solidly provided basic services, improved comprehensive 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. The Company increased investment in the layout, continuously enriched and improved matrix customer services, and enhanced market responsiveness with focus on strengthening the construction of “channel power, service power, product power and digital power”. During the Reporting Period, the net income from our agency trading business amounted to RMB2.820 billion. The number of new customers increased by 34.66% compared to last year. As at the end of the Reporting Period, client’s securities under the custody of the Company amounted to RMB3.96 trillion, representing an increase of 3.94% compared with the end of last year, and the number of customers and asset size further increased.

Market value of client's securities under the custody

Unit: trillion Currency: RMB



Average monthly activity of customers on mobile trading client side



Besides, the Company further increased its financial technology-empowerment efforts in its securities brokerage business, further promoted the construction of the system and platform, steadily operated the Big Winner APP, and dedicated to achieving the needs of customers and business development, and satisfied the business development. The newly introduced Shencai Youdao APP, a new generation of mobile terminal, has entered the stage of gradual promotion, integrating various financial technology tools, to build an all-round multi-layer wealth management service system covering stocks, bonds and wealth management, thereby understanding market changes and customers' needs in a rapid manner, and providing investors broader, higher quality, more convenient, more efficient digital inclusive financial services, so as to achieve refined matching between professional investment advisory ability and customer service.

Outlook for 2024:

In 2024, the Company will further establish the customer-centric concept, continue to steadily promote the transformation 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 channel construction, optimize customer experience, improve service efficiency, strengthen financial technology empowerment, and enhance the accessibility and convenience of financial services; comprehensively improve the asset allocation capability and service quality of investment advisors, 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 2023, with the official implementation of the Futures and Derivatives Law of the People's Republic of China, the institutional foundation of the futures market continued to be improved, the pace of variety innovation on major futures exchanges accelerated, the product system became increasingly rich, and the operational quality continued to improve. During the Reporting Period, the scale of China's futures market expanded steadily and the variety system continued to enrich. The cumulative volume of the futures market was 8.501 billion lots, and the cumulative turnover was RMB568.51 trillion, an increase of 25.60% and 6.28% year-on-year, respectively; the cumulative number of new varieties of listed futures and options was 21, with a total of 131 varieties. The demand for utilizing the futures market for market risk management and asset allocation has been constantly increasing. (China Futures Association, 2023)

Operating measures and results:

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

In 2023, Shenwan Futures strengthened customer base and deeply promote the development 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, to further optimize the Company's profitability structure, and to accelerate and advance the improvement of key indicator and implementation of important work. The number of new customers continued to increase. Shenwan Futures flexibly applied futures, options and other financial derivatives to serve the national strategy, and continued to expand the business scope and scale of the market makers to serve the improvement of commodity pricing mechanism and futures market function. During the Reporting Period, it obtained a number of qualifications of futures market maker; and it continuously deepened the "insurance + futures" service model benefiting "Sannong" and focused on targeted assistance. The function of OTC options business in serving entities has been continuously demonstrated. During the Reporting Period, it totally conducted 66 "insurance + futures" projects, contributing to the income guarantee of insured farmers and the revitalization of local agricultural products and industry, and received more than 100 awards from government departments, exchanges, associations and media.

Hongyuan Futures continued to focus on financial and industrial institutional clients, with a continuous increasing proportion of institutional clients and a year-on-year increase of 23.56% in the equity of industrial clients. It continued to optimize regional layout by establishing three new branches in Shanghai, Guangdong and other areas, and promoting the refurbishment of branches in Hangzhou, Tianjin, and other key regions. During the year, the Company achieved an average daily client equity of RMB13.5 billion, and the corporate client equity accounted for 63.34%. The business scale and industry ranking remained stable.

Outlook for 2024:

In 2024, the Company will insist on the main responsibilities and businesses, continue to highlight the brokerage business as the base, consolidate the basic foundation of brokerage business, promote the transformation of innovative businesses such as risk management business and wealth management business, build a diversified derivatives service system, and enhance its core competitiveness and brand influence with unique characteristics, thereby striving to build us into a first-class futures and derivatives service provider.

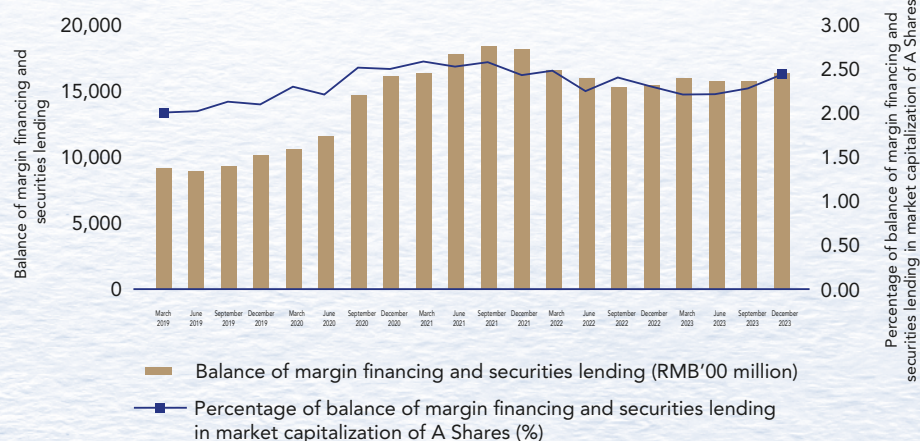
(3) Margin financing and securities lending business

Market environment:

In 2023, with the implementation of a number of favorable policies for margin financing and securities lending business, and the overall scale of margin financing and securities lending in the market has increased. As of the end of 2023, the market balance of margin financing and securities lending business was RMB1,650.896 billion, an increase of 7.17% from the end of the previous year (WIND, 2023).

Margin financing and securities lending market condition

Unit: '00 million Currency: RMB



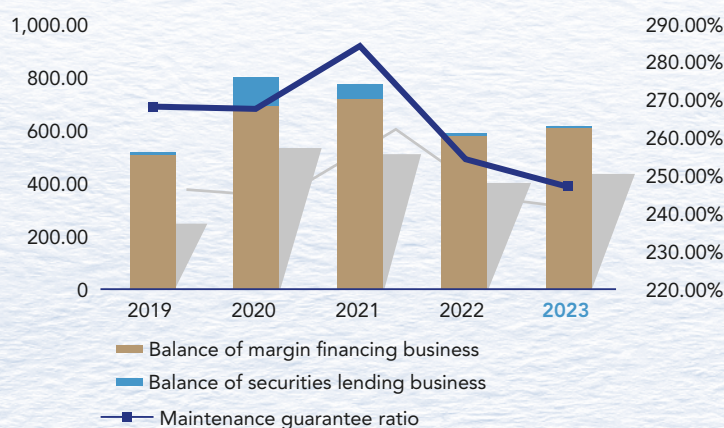
Operating measures and results:

In 2023, the Company closely focused on customers' needs, continuously improved customer service system, focused on institutional and digital transformation, enriched business strategies, and emphasized technology empowerment. During the Reporting Period, the Company comprehensively promoted the construction of the "1 + N" platform, and the scale of margin financing and securities lending business for institutional clients steadily increased. As of the end of the Reporting Period, the balance of the Company's margin financing and securities lending business was RMB61.624 billion, representing an increase of RMB2.535 billion compared with the end of last year, among which the balance of margin financing business was RMB61.065 billion, representing an increase of RMB2.969 billion compared with the end of last year, and the balance of securities lending business was RMB559 million, representing a decrease of RMB434 million compared with the end of last year (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 247.20%, which continued to remain at a high level.

During the Reporting Period, with the official implementation of the registration-based IPO rules across all markets, the Company completed the comprehensive market systematic transformation of margin refinancing and securities refinancing in a timely manner, continued to optimize the securities source management function, and promoted the launch and designated securities source of the real-time securities system and function. In February 2023, Shenwan Hongyuan Securities and Shenwan Hongyuan Securities (Western) obtained the first batch of qualifications of margin financing and securities lending business on the Beijing Stock Exchange.

Implementation of margin financing and securities lending of the Company

Unit: '00 million Currency: RMB



Outlook for 2024:

In 2024, the Company will further focus on customers' needs, continue to accelerate institutional and digital transformation, steadily promote business innovation, comprehensively enhance professional service capabilities, strengthen the empowerment of financial technology, promote the launch of margin trading client side, and continuously improve customer experience. Besides, taking into account the domestic and international economic and industry development situation, the Company will continue to do a good job in credit business risk control under the comprehensive registration system, and promote high-quality development of margin financing and securities lending business.

(4) Stock-backed lending business

Market environment:

Since 2023, the overall market size of the stock-backed lending business reduced while maintaining stable, and the market value of stock pledge by the controlling shareholders and substantial shareholders of listed companies has further decreased. On the other hand, the overall risk in the stock-backed lending market has also been further reduced. During the Reporting Period, 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 “small-sized scale and dispersal”, further strengthened project risk management and achieved high-quality development of stock-backed business. For stock-backed lending business, the Company adhered to returning our stock-backed business to its origin of serving the real economy, and provided a green channel for qualified financing projects serving national strategies as well as the micro, small and medium-sized financing projects. Additionally, to further prevent financial risks, the exit of stock-backed projects accelerated. As of the end of the Reporting Period, the balance of the stock-backed lending business funded with the self-owned funds of the Company was RMB1.517 billion, representing a decrease of approximately 67.39% from the beginning of the year.

Outlook for 2024:

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 2023, the capital market reform continued to deepen, new regulations on industry supervision were issued frequently, and the investment environment and industry ecosystem were further optimized, effectively guiding the financial sector to enhance real economy services and the satisfaction of residents’ basic asset allocation needs. 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 an important method for investors’ asset allocation, the business capability of financial products has also gradually become one of the important criteria to measure the quality of securities companies’ wealth management business. Against the backdrop of wealth management transformation, the business capability of financial products has gradually transformed and upgraded from previous product sales capability to product retention capability and comprehensive investment advisory services capability.

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 2023, the Company fully implemented the concept of great wealth management, adhered to the mission of “finance for the people”, focused on improving “product power” construction, and continued to promote the product selection layout of enhancing business productization capabilities and improving the quality of product systems, strengthened business layout of securities structured products, fixed investment products and index products, and enhanced the empowerment of product business 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 to meet the residents’ wealth allocation needs.

During the Reporting Period, the financial products sold by the Company amounted to RMB472.669 billion in total, representing an increase of 18.19% compared with last year, including: self-developed financial products of RMB434.182 billion, and agent sales of financial products developed by third parties of RMB38.487 billion.

Outlook for 2024:

In 2024, the Company will continue to focus on customers, strive to strengthen the productization of advantageous business resources, and enhance the competitiveness of product business; strengthen the building of product research capabilities, increase the searching and screening for potential managers and high-quality products, strictly implement the introduction review and focus on improving product quality; expand the layout of securities structured products, fixed investment products and index products, and comprehensively enlarge the product retention scale; strengthen the construction of asset allocation capabilities, enhance the layout of index products and premium customized business, and improve the output capabilities of comprehensive wealth management solutions. With the personal pension and fund fixed investment business as the focus, the Company will comprehensively optimize the customer service system and promote the high-quality development of product sales business to a new level.

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 RMB15,757 million, representing a year-on-year increase of 5.28%.

(1) *Prime brokerage business*

Market environment:

With the reform of registration-based IPO rules across all markets, issuance, trading mechanism and other basic functions of the capital market continues to improve, the full implementation of new asset management rules and enriching of on-the-exchange and OTC derivatives provide professional institutional investors with more trading strategies and risk hedging means, the institutionalization and productization trend is increasingly strengthened, and the institutional trading capital intermediary business driven by securities companies and customer needs increased significantly. The rate reform of the mutual fund industry has officially begun, and the demand for securities companies to transform into buyer wealth management intermediaries is becoming increasingly urgent.

Operating measures and results:

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

In 2023, regarding the institutional business, the Company actively responded to the challenges brought by the adjustment to trading commissions for mutual funds, coordinated and integrated 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, the Company actively explored business transformation and has achieved initial results. In addition, relying on the strong research strength and brand influence of SWS Research, a controlled subsidiary of the Company, the institutional business of the Company continuously accumulated institutional customer resources to boost the development of institutional business.

During the Reporting Period, the Company recorded revenue of RMB653 million from trading units leasing, and the trading proportion of the Shanghai and Shenzhen Stock Exchange trading units is 3.46%, among which the trading proportion of split commission of funds is 3.48% and that of assurance is 3.36%.

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 1,515 customers with a total scale of approximately RMB346.56 billion, representing an increase of 37.51% compared with the end of last year. 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 RMB24.284 billion, representing an increase of 43.65% compared with the end of last year.

As for the listed company services, during the Reporting Period, the Company focused on the “six accounts and four scenarios” of listed companies and their shareholders, provided comprehensive one-stop wealth management services for the entire process, and constructed an equity incentive service system with “plan design, compliance information disclosure, financial and tax planning, and system management” as the core. The Company provided ESOP equity incentive service for a total of over 40 listed companies with over 10,000 participants.

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 300 funds under custody and operation services for private equity funds and private asset management plans. In particular, we ranked the eleventh among brokerage custodians in terms of the number of new private equity funds under custody. 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 six consecutive years, and our fund custody business has passed ISAE 3402 international accreditation for three 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 2024:

In 2024, 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 2023, SWS Research adhered to the general principle of “seeking progress while maintaining stability and high-quality development”, actively served the overall development of the country, and practiced the mission and responsibility of a state-owned financial enterprise of “faith and commitment” with the sentiment and political responsibility of “serving the country with finance”. It focused on in-depth research and gave full play to brand advantages, further improved the depth of research and service level, and continued to consolidate its market influence.

Firstly, served national strategies with financial strength. During the Reporting Period, SWS Research was deeply committed to the technology industry and released the “White Paper of 2023 AIGC Large Model of Shenwan Hongyuan” to support technological innovation and high-quality development. It served the construction of the “Belt and Road Initiative”, and released the white paper of “Ten Years of the ‘Belt and Road Initiative’, Hundred Years of Reinvention” to commemorate the 10th anniversary of the “Belt and Road Initiative”. For four consecutive years, the Company and CCTV have jointly prepared and published the “STAR Market White Paper”, and 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. It implemented the deployment of “carbon peak and carbon neutrality”, held Xinjiang Energy Development and Belt and Road Initiative Capital Forum to support Xinjiang in promoting green and low-carbon development; and continued to promote the Huining ecological carbon credits rural revitalization project, to support the green and low-carbon development. It established Shenwan Hongyuan Industrial Research Institute, developed forward-looking strategic emerging industries and empowered the expansion of the capital service value chain with professional research results in industry and finance. Secondly, gave full play to the research characteristics and consolidated existing brand advantages. It 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 21 consecutive times. It continued to deepen ESG research, and has been awarded the first place in the New Fortune Best ESG Practice Research Institute for two consecutive years. Thirdly, utilized the advantages of think tanks and research brands to promote industry development and expand brand influence. It launched a series of books on local economic development decision-making, and provided ideas and references for local governments to attract investment and seize new opportunities in capital market reform; actively interpreted and promoted policies, and earnestly assumed the responsibilities and missions assigned to the securities industry in the new era.

Outlook for 2024:

In 2024, the Company will further strengthen the research system of “investment research + political research + industry research”, build core competitiveness with professional capabilities and differentiated services, actively support the development of business lines of the Company internally, maintain the influence of seller research externally, actively participate in serving national strategies and industry development, and continue to enhance decision-making influence and industry influence.

(3) *Proprietary trading*

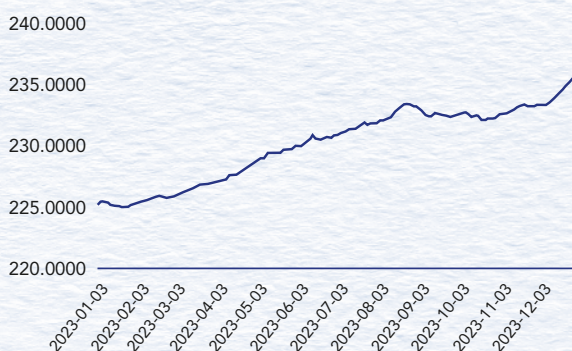
The proprietary trading business of the Company is guided by the strategic goal of “trading investment bank”, takes “non-directional, low volatility, absolute return” as the goal for principal investment, with the concept of giving priority to the expansion and strengthening of cross trade, with the idea of integrating the development of light and heavy capital business, and “lightweight”, “digital” and “systematic” construction as the goal, insists on strengthening “promoting lightness with heavy, integrating lightness with heavy”, and empowers the Company to develop with high quality and stability.

① FICC sales and trading business

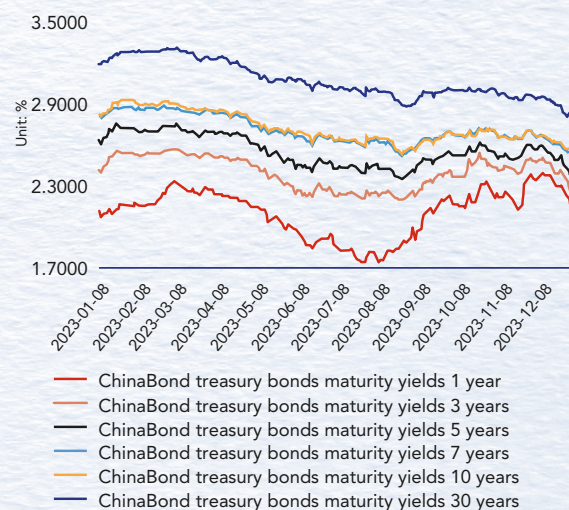
Market environment:

In 2023, the performance of China’s bond market was relatively stable with steady returns. The ChinaBond composite wealth (in aggregate) index increased by 4.79%. The monetary policy was stable and easy, and bond rate showed a fluctuating downward trend throughout the year. The long-term key term interest rate of treasury bonds fluctuated at a low level, and the ultra-long-term interest rate hit a record low in recent years. The tail risk of the credit bond market reduced, and institutional allocation demand was strong. The spreads on coupon assets continued to compress, and the yield curve showed a flattening trend.

ChinaBond composite wealth (in aggregate) index



ChinaBond treasury bonds maturity yields



Operating measures and results:

The FICC business of the Company adheres to the dual drive of “principal investment” and “cross trade”, continuously enriches profit models, and creates a competitive FICC business chain in the industry. During the Reporting Period, the Company implemented the general principle of seeking progress while maintaining stability, steadily carried out investment business, accelerated the development of cross trade, and achieved positive results in various businesses. **In terms of traditional bond proprietary business**, the Company fully utilized investment and research strengths, accurately grasped the market situation, timely expanded and optimized fixed income asset allocation. The asset portfolios were constantly concentrated towards high ratings and high liquidity. Strategic transactions were becoming increasingly abundant, and investment returns steadily increased, the research and development of quantitative trading, index trading, commodity CTA and other arbitrage strategy targets and strategy types have continued to accelerate, and the scale of arbitrage strategies has continued to expand. **In terms of cross trade**, the Company fully utilized our strengths in client resources and product creation, investment and trading capabilities to enrich the financial service chain of the fixed income category and enhance our comprehensive ability to serve clients. Among them, the scale of investment consulting and income certificates business grew significantly; bond derivatives business continued to gain momentum, with the scale of new notional principal increasing significantly year-on-year, and the scale of new credit protection tools business ranking No. 3 in the industry; and our market-making business developed steadily, and the variety and scale of market-making continued to expand, helping to stimulate market vitality.

The Company actively promoted various business innovations, deeply participated in capital market innovation practices and reform pilots, and constantly innovated financial indexes and investment transactions. During the Reporting Period, the Company obtained the first batch of qualification for participation in bond market-making on the Shanghai and Shenzhen Stock Exchanges and the qualification of proprietary trading business of carbon emission rights. The OTC options business achieved a number of “first” innovations: the Company completed the first FR007 OTC interest rate option transaction with a physical enterprise; the Company completed its first carbon emission rights transaction on the Shanghai Environmental and Energy Exchange, conducted OTC options trading of CDB-linked carbon neutrality green financial bonds and Shanghai Clearing House carbon neutrality bond index, and continuously broadened the investment trading channels of ESG varieties; the Company seized the opportunity arising from the listing of lithium carbonate, xylene (PX) and caustic soda futures, and completed relevant OTC options trading on the first day of the listing of above futures, thus creating new tools to serve the real economy.

In addition, the Company fulfilled its social responsibility as a central enterprise, served the national strategy in a solid manner, implemented the policies of finance serves real economy, and increased financial support in key fields. During the Reporting Period, the investment balance of the Company to support advanced technology for self-reliance and self-improvement, support construction of a modern industrial system and serve green development, and SMEs increased continuously. The Company accurately met the needs of real finance, launched comprehensive financial services portfolio, and provided upstream, midstream and downstream service solutions for the whole industry chain using financial derivatives such as “insurance + futures”, OTC options and structured notes. The Company provided targeted assistance to customers affected by the floods in Heilongjiang and Jilin by offering professional option plans and reducing relevant fees to help enterprises resume production and make financial services warmer.

In terms of bond sales and trading, the Company gave full play to the customer resources and bond sales professional advantages, and intensified its support to serve the national strategies, assist the real economy, and serve the micro-, small and medium-sized enterprises. By promoting the issuance of tens of billions of local bonds, the Company helped to resolve local government debts, emphasizing both risk prevention and development promotion. The Company sold hundreds of billions of dollars of micro-, small and medium-sized enterprise bonds, to alleviate the problems of financing difficulties and high financing costs of enterprises. The Company also sold green bonds, low-carbon transformation bonds and other varieties of exceeding RMB10 billion to help achieve the dual carbon goals and green development strategy. The Company deeply developed special bonds such as the “Belt and Road Initiative” bonds, rural revitalization bonds and science and innovation bills to provide financing support. 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.

Outlook for 2024:

In 2024, 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 improve major asset class allocation of the portfolio and strive for excellent investment business results.

② Equity sales and trading business

Market environment:

In 2023, as the US Federal Reserve continued to raise interest rates, the US 10-year treasury bonds remained high, and asset prices were under pressure. Besides, due to multiple unfavorable factors such as significant decline in shares of new funds in China and outflow of northbound capital, the equity market showed an uptrend followed by a decline, which was fluctuating. In terms of the performance of major indices, the SSE Composite Index, the SZSE Component Index, CSI 800 and the ChiNext Price declined by 3.70%, 13.54%, 10.37% and 19.41% respectively.

Operating measures and results:

In 2023, the Company’s equity sales and trading business continued to deepen the “non-directional” reform and transformation of portfolio assets, and took various measures to implement the “quality-based allocation and efficiency-based supply” to optimise the allocation and improve the quality, focused on portfolio risk management, retracement volatility control and other capacity building, and promoted the quality and efficiency of portfolio, and achieved a positive return on investment. During the Reporting Period, the Company newly obtained the qualification as one of the first batch of market makers of stocks listed on the Beijing Stock Exchange, further enriching the market making industry chain.

Outlook for 2024:

In 2024, the equity sales and trading business of the Company will continue to be guided by the “trading investment bank” strategy, and with “non-directional, low volatility, absolute return” of principal investment business as the core, and “lightweight” and “digital” as the goal, consolidate the effectiveness of the non-directional reforms. The Company will adhere to the principle of “controlling the total quantity and adjusting the structure”, accelerate the optimization of the portfolio asset structure, and optimize the compliance and risk control operation and management mechanism, to create a three-dimensional securities investment and trading system.

③ Derivatives business

Market environment:

In 2023, there still existed the uncertainty of the global macroeconomic environment, the geopolitical conflicts occurred occasionally, the volatility of the international financial market intensified, the price volatility of commodity futures increased, the volatility of major indexes of the domestic capital market continued to run at a historical low, and the discount rate of stock index futures was also at a historical low before the fourth quarter. Affected by the market environment, the existing OTC derivatives in the industry has fluctuated, but maintained stable growth in general. The cross-border business has maintained a good development momentum, and the business scale repeatedly reached new highs. With reference to the size of overseas developed capital markets and the scale of derivatives, the domestic derivatives business still has huge development potential. During the Reporting Period, in order to earnestly implement the Futures and Derivatives Law of the People’s Republic of China and promote the healthy development of the derivatives market, the CSRC drafted the Supervision and Administration Measures for Derivatives Trading (Draft). The derivatives regulatory system will be further improved in the future, which will better promote derivatives service the real economy while regulating the derivatives trading, and prevent and resolve the market risk.

Operating measures and results:

In 2023, under the market volatility, the OTC derivatives business of the Company actively adjusted its strategies, overcame multiple challenges, and maintained competitive advantages. In terms of the OTC options business, by virtue of investment and research empowerment and financial technology empowerment, the Company formed a continuous iterative hedging model framework, improved the efficiency of hedging transactions, reduced the hedging cost, adopted refined functional division to quickly respond to the customers’ demand, continuously provided customers with differentiated product innovation and design, achieved a continuous growth in the accumulated additional scale of OTC derivatives, and firmly ranked at the forefront of the industry; the DeltaOne business has developed steadily, and has built up a bond pool with over 2,800 stocks to meet the securities lending demands of customers. During the Reporting Period, the cross-border business maintained a rapid growth, and the scale increased by more than twice year-on-year. In terms of on-the-exchange market-making, the Company additionally obtained a number of equity and commodity business qualifications during the Reporting Period, and the number of market-making licenses remained in the first echelon in the industry. The Company continued to comprehensively optimize the market-making system and strategic iteration with its profitability steadily improving. In terms of quantitative businesses, the Company continued to implement major asset allocation strategies to customers in the form of derivatives relying on its strong quantitative strategy research and development capabilities, and cooperated with a number of financial institutions to complete the development of customized indexes.

Based on the professional advantages of derivatives pricing and trading, the Company adhered to realizing its own high-quality development in serving the real economy. The Company and China Securities Index Co., Ltd. led the release of the “Intelligent Selected CES Aviation Technology Index (智選滬深港航空科技指數)”, gradually build a multi-level product system with the theme of aviation technology, and guided long-term capital to pay attention to listed companies with hard technology attributes. The Company carried out market-making trading of industrial silicon varieties, and effectively promoted the vitality of carbon neutral trading market. The Company promoted the effective connection between financial product innovation and creation and rural revitalization, issued structured notes of “rural revitalization public welfare donation”; implemented the swine “insurance + futures” project to provide risk guarantee tools for swine breeders; and designed crossborder hedging instruments to provide effective hedge instruments for cross-border procurement needs of manufacturing enterprises, and support enterprises to avoid cost fluctuations and risk management.

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	STAR 50ETF (588000 and 588080) options	Obtained qualification of main market maker in June 2023
Commodity	Zhengzhou Commodity Exchange	Rapeseed meal futures	Obtained qualification of main market maker in February 2023
		Paraxylene options	Obtained qualification of main market maker in September 2023
		Caustic soda options	Obtained qualification of main market maker in September 2023
		Manganese-silicon options	Obtained qualification of main market maker in October 2023
		Ferrosilicon options	Obtained qualification of main market maker in October 2023
		Dalian Commodity Exchange	Styrene options
	Shanghai Futures Exchange	Polyvinyl chloride options	Obtained qualification of market maker in April 2023
		Soybean meal options	Obtained qualification of market maker in April 2023
		Copper options	Obtained qualification of market maker in May 2023
		Fuel oil futures	Obtained qualification of market maker in May 2023
		Aluminum oxide futures	Obtained qualification of market maker in June 2023
	Shanghai International Energy Exchange	Container index (Europe line) futures	Obtained qualification of market maker in August 2023
	Guangzhou Futures Exchange	Lithium carbonate options	Obtained qualification of market maker in July 2023

Outlook for 2024:

In 2024, the Company will adhere to the core positioning of finance serving the real economy, serving the overall reform and development of the country and the financial sector, give full play to the function of derivatives risk management, continuously enhance the quality and efficiency of serving the real economy, and make positive contributions to economic development. The Company will fully combine the judgment on the international and domestic economic and financial situation in 2024. In terms of product, the Company will improve and enrich the product system, and continuously promote the research and development of product innovation structure to meet the diversified allocation and trading needs of customers; in terms of hedging transactions, the Company will improve the parameter management and model iteration, and enhance the efficiency and return level of hedging transactions; and in terms of cross-border business, the Company will meet the diversified needs of customers for cross-border transactions, and further enhance the business scale and profitability. In terms of OTC business, 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, continuously utilize 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 on-the-exchange businesses, the Company will continue to optimize the full link performance of the market-making system, further develop diversified trading strategies and strive for obtaining market-making qualifications of more varieties. In terms of quantitative business, the Company will further enrich the research and development of quantitative strategies and strategic index, expand the scale of index productization, and form the brand effect of self-developed characteristic index. In terms of talent team, 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 RMB1,453 million, representing a year-on-year decrease of 19.97%.

(1) *Asset management business*

Market environment:

Since 2023, the development of the asset management industry has faced a number of challenges due to factors such as the complex and severe external environment, the tightening of regulatory rules, the shock downward of the equity market and intensified pressure of local debts. In the post-asset management era, the new asset management regulations were amended again after five years of implementation, and the regulatory polices was more perfect. The Measures for the Administration of the Privately Offered Asset Management Business of Securities and Futures Business Institutions (《證券期貨經營機構私募資產管理業務管理辦法》) and its accompanying regulatory documents, the Provisions on the Administration of Operation of Privately Offered Asset Management Plans of Securities and Futures Business Institutions (《證券期貨經營機構私募資產管理計劃運作管理規定》) and the Filing Measures



for Privately Offered Asset Management Plans of Securities and Futures Business Institutions (《證券期貨經營機構私募資產管理計劃備案辦法》) have been formally implemented, further promoting the formation of an industry ecosystem of professional and steady and standardized development. The asset management industry is showing the development trend of public offering, activation, standardization and entitlement, and brokerage capital management has formed a differentiated development path, with obvious industry Matthew effect, deepening of internal and external division and collaboration, intensifying competition of the asset management industry, and increasingly fierce competition in the industry.

Operating measures and results:

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

According to the Reply to Approving Shenwan Hongyuan Securities Co., Ltd. to Establish a Asset Management Subsidiary (Zheng Jian Xu Ke [2022] No. 2615), the China Securities Regulatory Commission has approved Shenwan Hongyuan Securities Co., Ltd. to establish a wholly-owned asset management subsidiary, i.e. Shenwan Hongyuan Securities Asset Management Co., Ltd. to be engaged in securities and asset management businesses. During the Reporting Period, Shenwan Hongyuan Securities Asset Management Co., Ltd. has obtained the Securities and Futures Business License, and commenced operation on October 9, 2023.

In the asset management business, with the establishment of subsidiary, and based on the core tasks of “transformation of active management ability” and “professional reform”, the Company adhered to customer benefits in priority, took the initiative to promotion of the transformation, restructuring, strengthening of business advantages of margin, FOF and “fixed income + derivatives” products, keenly deployed the construction of three systems, i.e. the system construction, research and reform, and investment and research interaction. As of the end of the Reporting Period, the Company’s asset management scale was RMB201.745 billion, of which the active management asset scale was RMB181.687 billion (including special asset management business), the active management scale accounted for 90.06%, and the proportion of the active management scale has steadily increased. The Company made constant effort in derivatives products with remarkable results in derivatives empowerment “fixed income +”. During the Reporting Period, the Company issued a total of 45 asset management plans of “fixed income + derivatives”, with the issuance size of RMB5.772 billion, representing an increase of 87.4% over last year, and the existing size at the end of the year of RMB5.516 billion, representing a year-on-year increase of 222.6% over the end of last year. The Company proactively expanded the scale of inclusive financial products such as large pool participatory products, and the average daily scale of margin products as at the end of the Report Period increased by 8.31% over last year. The Company deeply developed the channel expansion to improve the product penetration rate, and achieved full coverage of major state-owned joint-stock banks, wealth management subsidiaries and core internet channels. Guided by actively practicing and serving the national strategy, the ABS business gave full play to its professional advantages in asset securitization, and innovatively launched various types of green asset securitization business, and helped SMEs to efficiently raise funds. During the Reporting Period, the newly added management scale of ABS business of the Company increased by 37.10% over last year, and ranked the thirteenth in the market in terms of the number of ABS issuance.

**Typical ABS cases
Technology for
Self-reliance and
Self-improvement**

During the Reporting Period, “Haitong Hengxin Small and Micro-size Enterprises No.22 Asset-backed Special Plan (Technology and Innovation)” was established, with the issuance size of RMB1.2 billion, and more than 80% of the raised funds were used to serve science and technology innovation customers.

Green Finance

During the Reporting Period, the “Jinmao Shenwan – Shanghai Jinmao Building – Xin Yue Green Asset Support Special Project (Carbon Neutral) (金茂申萬 – 上海金茂大廈 – 鑫悅綠色資產支持專項計劃(碳中和))” was established, which is the first flexible maturity shelf CMBS in China and the first single building shelf CMBS of a central enterprise, which provides new concept in serving “dual carbon” strategies and is an important demonstration. The “Jinmao Shenwan – Shanghai Jinmao Building Phase 1 Green Asset Support Special Program (Carbon Neutral) (金茂申萬-上海金茂大廈第1期綠色資產支持專項計劃(碳中和))” was established, which was included in the annual real estate typical cases by SSE. The “Shenwan Hongyuan – Green Asset-backed Special Plan for the Sci-tech Innovation Industrial Park of Chuzhou High Education Sci-tech Innovation City (Carbon Neutrality)” was established, which is the first CMBS project with carbon neutrality and green concept in Anhui Province, the first asset-backed securitization project with industrial park as the underlying asset in the province and the first CMBS project successfully issued by a prefecture-level city in the province after Hefei, the capital of Anhui Province. The “Shenwan Hongyuan – Green Asset-back Special Plan for Jiaxing Phase II Gas Charge Toll Collection and Beneficiary Right” was established, the underlying assets of which involve the clean energy industry, and the cash flows of underly assets are from green fields, which provides strong support for residents’ quality of life in Jiaxing, and efficient production of enterprises, and provides efficient impetus for green transformation and upgrading of Jiaxing City.

Inclusive Finance

During the Reporting Period, the “Anhe 9th Asset-backed Special Plan” was established, with more than 40,000 small and scattered automobile consumer financial assets as its underlying assets, providing general consumers with economical, flexible and convenient vehicle choices, and providing strong financial support for the formation of a virtuous cycle of “promoting consumption and expanding domestic demand”.

Outlook for 2024:

In 2024, with the formal commence of operation of the asset management subsidiary as an opportunity, the Company’s asset management business will adhere to the positioning of “all-asset” and “multi-strategy” operation, return to the origins of the asset management business, focus on the construction of core competitiveness, benchmark top institutions and combine with its own actual condition, consolidate and improve the investment and research system, enhance the proactive management capability; and the Company will further enrich the product system, expand and optimize the sales network, comprehensively deepen the construction of financial technology, strictly control the bottom line of risk, consolidate the foundation of the business, so as to promote the high-quality development of the asset management business.

(2) *Mutual fund management business*

Market environment:

In recent years, along with the rapid growth of social net wealth, the domestic mutual fund industry has been developing rapidly, and has become a very important institutional investor in the capital market, playing an active role in increasing the proportion of direct financing, promoting the reform and development of the capital market, serving residents’ demand for wealth management, and servicing the real economy and the country’s major strategies. As at the end of the Reporting Period, there were 11,528 mutual fund products under the management of all 145 mutual fund management organizations, with a total net value of RMB27.60 trillion (China Securities and Fund Association, 2023), making mutual funds an important tool for preserving and increasing the value of residents’ wealth. During the Reporting Period, the A-share market showed a repeatedly downturn trend, the bond market surged following a drop, the overall profitability of the mutual funds industry declined, the new issuance of products fell into the recent freezing point, the commission and fee reduction in the fund industry officially landed, the supervision of institutional customized bonds and funds became stricter, and the introduction of classification evaluation of fund subsidiaries accelerated the elimination.

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.

During the Reporting Period, 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. For fund investment advisory business, the Company responded to the wealth management trend and continued to make efforts in the investment side and the service side. As for the investment side, the Company based on the customers’ needs, satisfied the investment needs in different scenarios; as for the service side, the Company strived to enrich the fund investment advisory service system and established multi-dimensional customer companionship service. As of the end of the Reporting Period, the mutual fund investment advisory business of the Company has a total of over 70,000 contracted clients, the accumulative reinvestment rate was over 85%, and the average time for customers to use investment advisory services exceeded 989 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, continued to promote the digital construction, and shaped the long-term differentiated core competitiveness. During the Reporting Period, SWS MU further enhanced the empowerment of KAP, the self-developed key hypothesis platform, on major asset allocation and portfolio forming capabilities, commenced the development of “one-click investment advisory”, and explored the digital wealth management based on the key hypothesis platform KAP. The digital strategies and execution results were won good evaluation and recognition by regulators and governmental units, the “key hypothesis platform KAP” won the “Third Prize of the Finance Sci-tech Development Award” issued by the People’s Bank of China, and the plan of “One-click Investment Advisory – the Customized Inclusive Fund Investment Advisory Platform” was awarded the Youth Financial Business Innovation Third Prize of the “Struggle Cup” Shanghai Youth Skills Contest. As of the end of the Reporting Period, the mutual fund management scale of SWS MU was RMB78.931 billion, representing an increase of 7.04% compared with the end of last year, and the scale of non-monetary mutual fund management was RMB71.161 billion, representing an increase of 1.21% compared with the end of last year.

Fullgoal Fund continued to fully implement the concept of high-quality development, and promoted all businesses in a balanced manner, with overall development being stable and orderly, and the total scale of assets under management maintained a growth compared with the end of last year. The balanced development pattern of the three core business sectors of mutual fund businesses, i.e. the equity, fixed income and quantitative businesses, continued to be maintained, and the medium-and long-term performance remained good. The management scale of the pension business maintained a rapid growth, and again showed the strategic advantage of “long-term funds”. As of the end of the Reporting Period, the total assets under management of Fullgoal Fund exceeded RMB1.4 trillion, including RMB890.0 billion of mutual fund management.

Outlook for 2024:

In 2024, the Company will continue to focus on the original and main businesses of securities company, proactively layout the buy-side investment advisory business models, make every effort to expand the breadth and depth of inclusive finance, so as to achieve more refined investment advisory and the ability to respond to market demand in a prompt manner, make more investors experience a more comprehensive, intelligent, diversified wealth management service. SWS MU will take “balanced focus and continuous digital” development strategies, focus on promoting the active equity, fixed income and quantitative indexes at the business side, spare no effort to promote the balanced development of retail and institutional markets at the market side, fully focus on important points, difficulties and hot spots in various areas, shape medium and long-term core competitiveness, promote the creation of long-term core competitiveness and differentiation characteristics of the Company through optimization of the digital strategies, and fully focus on the innovation work of investment and research system and the investment advisory side, so as to fulfill digital finance business. Fullgoal Fund will continue to collaborate in the development of various mutual and non-mutual funds businesses, and continue to strengthen the capacity building of various businesses in order to enhance customer experience.

(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 complex international situation and the market fluctuations.

Operating measures and results:

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

Hongyuan Huifu adhered to the focus of industry, region and clients, carried out private equity fund investment management business from the perspective of comprehensive financial services, constantly expanded the scale of private equity fund management, continued to deeply layout high-quality assets and effectively served the national strategy. At the fundraising side, it strengthened the cooperation with strategic clients in southwest China, Yangtze River Delta and other key areas, and established industrial investment funds in Chengdu, Sichuan province and Huzhou, Zhejiang province to serve the transformation and upgrading of regional industrial structure. It focused on key industries, and on the basis of parent funds, it promoted and established several industrial sub-funds such as new energy, semiconductor and smart family, to continuously enrich investment tools to support technology and innovation. As of the end of the Reporting Period, the scale of private equity funds under management exceeded RMB15 billion. At the investment side, it focused on serving the national technology self-reliance and green development strategies, completed multiple equity investment projects in semiconductor, information innovation, new energy and other fields, and further consolidated the high-quality asset reserve. During the Reporting Period, a number of investee companies completed their IPOs.

By fully exerting the role of the private fund management platform of the company, Shenyin & Wanguo Investment strengthened the “investment banking + investment” 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. As of the end of the Reporting Period, the total cumulative management scale exceeded RMB17.5 billion, more than 60 enterprises were invested, and the average annualized yield of projects withdrawn was approximately 12%. During the Reporting Period, Shenyin & Wanguo Investment focused on innovation-driven, expanded business areas, completed the Company’s “first” new energy power station merger, acquisition and investment project, and participated in the establishment of the first fund focusing on aerospace theme, 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 2024:

In 2024, the Company will continue to actively respond to the national strategies, focus on key areas and high-quality assets in line with the national development strategies, constantly promote the establishment of funds featured by specialization, refinement, specialization and novelty, and actively establish regional funds and enrich fund product lines. The Company will continuously strengthen the construction of investment ability, further clarify the core logic of regional and industry investment, and perform the fundraising and operation and maintenance, fund investment, and post investment and withdrawn management in a high-quality manner.

(III) Business Innovation

In 2023, 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**

Item	2023	2022	Unit: Thousand Yuan Currency: RMB	
			Change in amount	Change in percentage (%)
Fee and commission income	8,332,792	10,428,954	-2,096,162	-20.10
Interest income	10,026,911	9,842,835	184,076	1.87
Net investment gains	8,973,874	5,081,933	3,891,941	76.58
Other income and gains	4,582,571	6,221,971	-1,639,400	-26.35
Total revenue and total other income	31,916,148	31,575,693	340,455	1.08

In 2023, the Group achieved total revenue and other income of RMB31,916 million, representing a year-on-year increase of RMB340 million or 1.08%, which included:

- (1) Fee and commission income of RMB8,333 million, representing a year-on-year decrease of RMB2,096 million or 20.10%, mainly due to a year-on-year decrease of income from securities brokerage business and underwriting and sponsorship business;
- (2) Interest income of RMB10,027 million, representing a year-on-year increase of RMB184 million or 1.87%, mainly due to a year-on-year increase in the interest income from financial instruments at fair value through other comprehensive income and a year-on-year decrease in the interest income from margin financing and securities lending;
- (3) Net investment gains of RMB8,974 million, representing a year-on-year increase of RMB3,892 million or 76.58%, mainly due to a year-on-year increase in the gains from financial instruments at fair value through profit or loss, and a year-on-year decrease in the gains from derivative financial instruments;
- (4) Other income and gains of RMB4,583 million, representing a year-on-year decrease of RMB1,639 million or 26.35%, mainly due to a year-on-year decrease in income from commodity trading business.

2. Composition of expenses

Item	2023	2022	Unit: Thousand Yuan Currency: RMB	
			Change in amount	Change in percentage (%)
Fee and commission expenses	1,326,051	1,895,349	-569,298	-30.04
Interest expenses	9,695,409	9,750,535	-55,126	-0.57
Staff costs	7,725,057	7,720,630	4,427	0.06
Depreciation and amortization expenses	869,538	749,507	120,031	16.01
Tax and surcharges	135,357	144,664	-9,307	-6.43
Other operating expenses	6,219,305	7,572,369	-1,353,064	-17.87
Credit impairment losses	341,099	1,424,144	-1,083,045	-76.05
Impairment losses on other assets	89,846	13,975	75,871	542.91
Total expenses	26,401,662	29,271,173	-2,869,511	-9.80

In 2023, the Group had total expenses of RMB26,402 million, representing a year-on-year decrease of RMB2,870 million or 9.80%, mainly attributable to a decrease in other operating expenses, credit impairment losses and fee and commission expenses, which included:

- (1) Other operating expenses of RMB6,219 million, representing a year-on-year decrease of RMB1,353 million or 17.87%, mainly due to a year-on-year decrease in the cost of commodity sales;
- (2) Credit impairment losses of RMB341 million, representing a year-on-year decrease of RMB1,083 million or 76.05%, mainly due to a year-on-year decrease in the expected credit impairment losses provided on financial assets held under resale agreements and accounts receivable;
- (3) Fee and commission expenses of RMB1,326 million, representing a year-on-year decrease of RMB569 million or 30.04%, mainly due to a year-on-year decrease in expenses for securities brokerage business and futures brokerage business of the Company;
- (4) Other expenses mainly included interest expenses, staff costs, depreciation and amortization expenses, tax and surcharges and impairment losses on other assets.

(II) Analysis of Consolidated Statements of Cash Flows

As of December 31, 2023, the Group had cash and cash equivalents of RMB46,783 million, down by 19.70% as compared to RMB58,261 million as of December 31, 2022. In 2023, there was net cash outflow of RMB11,510 million for cash and cash equivalents, up by cash outflow of RMB7,051 million as compared to RMB4,459 million of the net cash outflow in 2022. Among these, the net cash inflow generated from operating activities in 2023 amounted to RMB72,727 million, up by inflow of RMB41,262 million as compared to the net cash inflow of RMB31,465 million in 2022, mainly due to a year-on-year increase in the cash received for financial instruments at fair value through profit or loss, a year-over-year increase in cash received for accounts receivable, other receivables and prepayments, a year-on-year increase in the cash paid for margin accounts receivable and a year-on-year increase in the cash paid for other payables and accruals and other non-current liabilities; the net cash outflow used in investing activities in 2023 amounted to RMB75,417 million, up by outflow of RMB57,478 million as compared to RMB17,939 million of the net cash outflow generated from investing activities in 2022, mainly due to a year-on-year increase in the cash paid for acquisition of financial assets at fair value through other comprehensive income; the net cash outflow used in financing activities in 2023 amounted to RMB8,820 million, down by outflow of RMB9,165 million as compared to net cash outflow of RMB17,985 million in 2022, mainly due to a year-on-year increase in the cash received for proceeds from issuance of short-term debt instruments, a year-on-year decrease in the cash received for proceeds from issuance of long-term bonds and a year-on-year decrease in the cash paid of repayment of short-term debt instruments.

(III) Analysis of Consolidated Statements of Financial Position

Unit: Thousand Yuan Currency: RMB

Item	December 31, 2023		December 31, 2022		Increase/Decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
		(%)		(%)		(%)
Non-current assets						
Property and equipment	1,429,979	0.23	1,402,629	0.23	27,350	1.95
Right-of-use assets	994,630	0.16	899,563	0.15	95,067	10.57
Investment properties	43,494	0.01	47,980	0.01	-4,486	-9.35
Other intangible assets	311,593	0.05	291,293	0.05	20,300	6.97
Interest in associates and joint ventures	4,076,755	0.64	4,108,398	0.67	-31,643	-0.77
Financial assets measured at amortized cost	1,370,362	0.22	3,616,601	0.59	-2,246,239	-62.11
Financial assets at fair value through other comprehensive income	73,173,338	11.52	4,204,258	0.69	68,969,080	1,640.46
Financial assets held under resale agreements	513,511	0.08	3,916,685	0.64	-3,403,174	-86.89
Financial assets at fair value through profit or loss	13,080,312	2.06	14,589,206	2.38	-1,508,894	-10.34
Refundable deposits	22,812,202	3.59	26,517,378	4.33	-3,705,176	-13.97
Deferred tax assets	2,739,571	0.43	3,461,424	0.56	-721,853	-20.85
Other non-current assets	433,524	0.05	461,500	0.06	-27,976	-6.06
Total non-current assets	120,979,271	19.04	63,516,915	10.36	57,462,356	90.47

Item	December 31, 2023		December 31, 2022		Increase/Decrease	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Current assets						
Accounts receivable	6,167,987	0.97	5,248,559	0.86	919,428	17.52
Other current assets	1,779,777	0.28	1,333,576	0.21	446,201	33.46
Margin accounts receivable	64,428,205	10.14	61,299,617	10.00	3,128,588	5.10
Financial assets measured at amortized cost	2,146,897	0.34	500,768	0.08	1,646,129	328.72
Financial assets at fair value through other comprehensive income	70,819,304	11.14	52,336,319	8.54	18,482,985	35.32
Financial assets held under resale agreements	4,101,053	0.65	13,523,679	2.21	-9,422,626	-69.68
Financial assets at fair value through profit or loss	223,407,852	35.16	264,429,834	43.13	-41,021,982	-15.51
Derivative financial assets	10,207,378	1.61	8,197,282	1.34	2,010,096	24.52
Clearing settlement funds	12,335,678	1.94	21,106,241	3.44	-8,770,563	-41.55
Cash held on behalf of brokerage clients	85,610,760	13.47	89,528,669	14.60	-3,917,909	-4.38
Cash and bank balances	33,453,256	5.26	32,095,566	5.23	1,357,690	4.23
Total current assets	514,458,147	80.96	549,600,110	89.64	-35,141,963	-6.39
TOTAL ASSETS	635,437,418	100.00	613,117,025	100.00	22,320,393	3.64
Current liabilities						
Loans and borrowings	835,592	0.16	1,719,395	0.35	-883,803	-51.40
Short-term debt instruments issued	28,055,961	5.54	22,052,001	4.44	6,003,960	27.23
Placements from other financial institutions	2,440,854	0.48	3,462,411	0.70	-1,021,557	-29.50
Accounts payable to brokerage clients	96,870,504	19.12	100,310,770	20.21	-3,440,266	-3.43
Employee benefits payable	2,110,487	0.42	2,030,490	0.41	79,997	3.94
Other payables and accruals	58,461,588	11.55	46,401,024	9.35	12,060,564	25.99
Contract liabilities	48,115	0.01	37,785	0.01	10,330	27.34
Current tax liabilities	71,891	0.01	132,484	0.03	-60,593	-45.74
Financial assets sold under repurchase agreements	163,215,333	32.22	153,494,134	30.92	9,721,199	6.33
Lease liabilities	369,687	0.07	370,363	0.07	-676	-0.18
Financial liabilities at fair value through profit or loss	5,694,306	1.12	5,500,999	1.11	193,307	3.51
Derivative financial liabilities	6,185,560	1.22	4,749,684	0.96	1,435,876	30.23
Long-term bonds due within one year	34,371,888	6.78	44,451,669	8.93	-10,079,781	-22.68
Total current liabilities	398,731,766	78.70	384,713,209	77.49	14,018,557	3.64

Section III Report of the Board (continued)

Item	December 31, 2023		December 31, 2022		Increase/Decrease	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Non-current liabilities						
Long-term bonds	102,857,017	20.30	106,612,891	21.48	-3,755,874	-3.52
Non-current employee benefits payable	3,648,945	0.72	3,953,295	0.80	-304,350	-7.70
Deferred income tax liabilities	30,527	0.01	5,387	0.00	25,140	466.68
Lease liabilities	645,826	0.13	555,643	0.11	90,183	16.23
Other non-current liabilities	729,203	0.14	596,907	0.12	132,296	22.16
Total non-current liabilities	107,911,518	21.30	111,724,123	22.51	-3,812,605	-3.41
Total liabilities	506,643,284	100.00	496,437,332	100.00	10,205,952	2.06
Share capital	25,039,945	19.44	25,039,945	21.46	-	-
Reserves	42,899,731	33.31	39,855,701	34.16	3,044,030	7.64
Retained profits	32,205,365	25.01	30,149,298	25.84	2,056,067	6.82
Total equity attributable to shareholders of the Company	100,145,041	77.76	95,044,944	81.46	5,100,097	5.37
Non-controlling interests	28,649,093	22.24	21,634,749	18.54	7,014,344	32.42
Total equity	128,794,134	100.00	116,679,693	100.00	12,114,441	10.38

- As of December 31, 2023, the Group had total non-current assets of RMB120,979 million, representing a increase of RMB57,462 million from the beginning of the year, the main change was an increase of RMB68,969 million in the financial assets at fair value through other comprehensive income as compared with the beginning of the year, decrease in refundable deposits of RMB3,705 million from the beginning of the year, a decrease in financial assets held under resale agreements of RMB3,403 million from the beginning of the year, and a decrease in financial assets measured at amortized cost of RMB2,246 million from the beginning of the year. As of December 31, 2023, the Group had total non-current liabilities of RMB107,912 million, representing a decrease of RMB3,813 million from the beginning of the year, mainly due to a decrease in long-term bonds of RMB3,756 million from the beginning of the year.
- As of December 31, 2023, the Group had total current assets of RMB514,458 million, representing a decrease of RMB35,142 million from the beginning of the year, the main change was a decrease in financial assets at fair value through profit or loss of RMB41,022 million from the beginning of the year, and an increase in financial assets at fair value through other comprehensive income of RMB18,483 million from the beginning of the year. As of December 31, 2023, the Group had total current liabilities of RMB398,732 million, representing an increase of RMB14,019 million from the beginning of the year, mainly due to an increase in other payables and accruals of RMB12,061 million from the beginning of the year, an increase in financial assets sold under repurchase agreements of RMB9,721 million from the beginning of the year, an increase in short-term debt instruments issued of RMB6,004 million from the beginning of the year, a decrease in accounts payable to brokerage clients of RMB3,440 million from the beginning of the year and a decrease in long-term bonds due within one year of RMB10,080 million as compared 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	Assets	Whether there
						and other income	overseas/total equity of the Company	is significant impairment risk
Shenwan Hongyuan (International) Holdings Limited	Investment	23,651,532	Hong Kong	Wholly-owned subsidiary	The safety of assets is ensured through the Implementation Rules for the Management of Overseas Subsidiaries, etc.	1,073,464	3.52%	No

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

During the Reporting Period, 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. Please refer to Note 3 to the consolidated financial statements in Section IX. There were no significant accounting errors requiring rectification occurred in the Company.

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

- For assets with restricted ownership or right-of-use as of the end of the Reporting Period, please refer to Notes 19, 25, 27 and 38 to the consolidated financial statements in Section IX.
- 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, short-term borrowings and equity financing. In accordance with relevant laws and regulations, the Company may utilize financing of different terms based on its own funding needs to support its business development.

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

Unit: Thousand Yuan Currency: RMB

Item	December 31,	December 31,
	2023	2022
Loans and borrowings	835,592	1,719,395
Short-term debt instruments issued	28,055,961	22,052,001
Placements from other financial institutions	2,440,854	3,462,411
Long-term bonds (including long-term bonds due within one year)	137,228,905	151,064,560
Total	168,561,312	178,298,367

In the above liabilities, RMB102,857 million had a financing period of more than one year while RMB65,704 million less than one year, accounting for 61.02% and 38.98% of the aforesaid debt, respectively. In addition to borrowings and debt financing 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 RMB163,215 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 the securities subsidiary 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’s major financing channels include interbank lending, bond repurchase, structured notes, short-term commercial papers, long- and short-term corporate bonds, subordinated bonds, perpetual subordinated bonds, short-term borrowings, margin and securities refinancing 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. 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 smooth debt financing channels, 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 (%)
4,076,755	4,108,398	-0.77

(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	Opening book value	Gains or loss arising from changes in fair value for the period	Accumulated fair value changes included in equity	Purchase amount for the period	Sales amount for the period	Profit and loss during the Reporting Period	Closing book value	Accounting item	Sources of funds
Bonds	2128013.IB	21 Bank of Communications Small and Micro Bonds	3,070,000	Fair value	-	-	-77	3,317,948	198,497	33,735	3,154,947	Financial assets at fair value through other comprehensive income	Self-owned funds
Bonds	2128015.IB	21 Agricultural Bank of China Small and Micro Bonds	2,960,000	Fair value	-	-	-844	3,028,771	20,904	29,504	3,039,449	Financial assets at fair value through other comprehensive income	Self-owned funds
Bonds	200205.IB	20 CDB 05	2,589,640	Fair value	-	24,513	-	2,729,138	82,636	31,482	2,677,854	Financial assets at fair value through profit or loss	Self-owned funds
Bonds	220208.IB	20 CDB 08	2,288,715	Fair value	-	9,746	-	2,445,084	131,627	18,567	2,331,900	Financial assets at fair value through profit or loss	Self-owned funds
Bonds	230015.IB	23 Interest-bearing Government Bonds 15	2,129,772	Fair value	-	244	2,299	7,208,711	5,072,087	6,982	2,154,281	Financial assets at fair value through profit or loss/Financial assets at fair value through other comprehensive income	Self-owned funds
Bonds	2120107.IB	21 Zheshang Bank Perpetual Bonds	1,875,057	Fair value	-	259	-3,371	3,482,081	1,607,044	52,057	1,872,088	Financial assets at fair value through profit or loss/Financial assets at fair value through other comprehensive income	Self-owned funds
Bonds	2028003.IB	20 Ping An Bank Perpetual Bonds 01	1,784,595	Fair value	-	-	11,026	3,547,498	1,763,855	74,931	1,795,622	Financial assets at fair value through other comprehensive income	Self-owned funds
Bonds	2128021.IB	21 Industrial and Commercial Bank of China Perpetual Bonds 01	1,636,666	Fair value	-	-	23,167	2,599,806	963,667	55,028	1,659,833	Financial assets at fair value through other comprehensive income	Self-owned funds
Bonds	2128010.IB	21 China Everbright Bank Small and Micro Bonds	1,590,000	Fair value	31,102	-	207	1,619,723	30,266	15,840	1,636,252	Financial assets at fair value through other comprehensive income	Self-owned funds
Bonds	232380008.IB	23 Guangzhou Rural Commercial Bank Tier-two Capital Bonds 01	1,527,172	Fair value	-	47,978	-	1,580,336	-	47,978	1,628,314	Financial assets at fair value through profit or loss	Self-owned funds
Other securities investments held at the end of the period			364,318,558		339,645,884	405,121	2,009,932	3,962,025,881	3,941,660,927	10,422,616	362,047,525		
Total			385,770,175		339,676,986	487,861	2,042,339	3,993,584,977	3,951,531,510	10,788,720	383,998,065		

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 being 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 INVESTEEES

(I) Major Subsidiaries

Company name	Company type	Principal businesses	Unit: Thousand Yuan Currency: RMB			
			Registered capital	Total assets	Total equity	Profit for the year
Shenwan Hongyuan Securities Co., Ltd.	Wholly-owned subsidiary	Securities business; securities investment consulting; securities investment fund sales agency; custodian business for securities investment funds; provision of intermediary business referral to future companies	53,500,000	596,529,830	126,881,325	5,490,163
Hongyuan Huizhi Investment Co., Ltd.	Wholly-owned subsidiary	Investment, assets management, investment management, corporate management consulting service and investment consulting service	2,000,000	5,202,804	2,186,625	38,280
Hongyuan Futures Co., Ltd.	Wholly-owned subsidiary	Commodity futures brokerage, financial futures brokerage, futures investment consulting service, asset management and fund sales	1,000,000	15,555,090	1,346,689	-206,316
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	603,510	538,168	42,002

Company name	Company type	Principal businesses	Registered capital	Total assets	Total equity	Profit for the year
Shenwan Hongyuan Industrial Investment Management Company Limited	Wholly-owned subsidiary	Investment, assets management and investment consulting service.	200,000	259,670	249,365	29,262
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)	5,700,000	16,705,250	8,341,595	523,446
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	1,866,467	1,534,581	38,369
Shenwan Futures Co., Ltd.	Controlling subsidiary	Commodity futures brokerage, financial futures brokerage, futures investment consulting service, assets management and fund sales	1,441,588	30,411,062	4,145,484	257,282
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	1,626,205	1,327,996	85,206
Shenyin & Wanguo Alternative Investment Co., Ltd.	Wholly-owned subsidiary	Conducting investment activities with self-owned funds	2,500,000	2,840,809	2,809,568	63,856
Shenyin & Wanguo Investment Co., Ltd.	Wholly-owned subsidiary	Private equity fund	1,000,000	1,203,356	1,055,440	-16,780
SWS Research Co., Ltd.	Controlling subsidiary	Securities investment consulting business; enterprise investment consulting	20,000	333,161	81,370	2,243
Shenwan Hongyuan (International) Holdings Limited	Wholly-owned subsidiary	Investment holding	HKD4,070,920 thousand	HKD23,651,532 thousand	HKD5,009,596 thousand	HKD-127,531 thousand
Shenyuan Hongyuan Securities Asset Management Co., Ltd.	Wholly-owned subsidiary	Securities and asset management	2,500,000	2,705,265	2,558,072	58,072

(II) Investee

Unit: Thousand Yuan Currency: RMB

Company name	Company type	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	13,770,413	8,523,996	1,813,900

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 financial statements in Section IX for details.

XI. FUTURE DEVELOPMENT PROSPECTS

(I) Industry Landscape and Trends

The year 2024 is the beginning year of building a finance China for the capital market. Under the background of continuous strengthening cooperation and dialogue between China and the United States and the effective control of real estate and local government debt risks, the internal and external environment for the development of the capital market will show an obvious trend of marginal improvement. The securities industry will continue to help the capital market to serve the high-quality development of the economy, and play a more important role in serving technology and innovation, modern industrial system, the preservation and appreciation of residents' wealth, and preventing and resolving major risks. It is expected that the securities industry will present six major development trends in the future. Firstly, the business of the Beijing Stock Exchange will be further expanded in high quality, and the financing services for small and medium-sized enterprises featured specialization, refinement, specialization and novelty will continue to deepen. The Beijing Stock Exchange has sufficient IPO reserves, and focuses on small and medium-sized enterprises featured specialization, refinement, specialization and novelty, the securities companies with strong investment banking industry chain will gain greater development opportunities. Secondly, under the reform of the investment side of the capital market, the wealth management business of the securities industry will become the focus of development. As the trading activity of the capital market may increase, the basic role of the wealth management business will be further unveiled, and the importance of the fund investment advisory business will increase. Thirdly, with more securities companies' achievement of the layout of "one holding, one controlling and one licensing (一参一控一牌)", the asset allocation of long-term capital and equity in the capital market will increase, the asset management business in the industry will expand, and will usher in new development. Through strengthening active management and improving product design, the securities companies will promote the active, mutual, equity, differentiated development of asset management business. Fourthly, it will focus on the "five major articles" to improve the ability to serve the real economy. Securities companies will actively serve green finance, technology finance, inclusive finance, pension finance and digital finance, and well serve the needs of real enterprises and residents. Fifthly, it will continue to promote the expansion of derivatives business. In recent years, the

structured notes of return swap, OTC options, embedded on-the-exchange options and other derivatives businesses have become the key businesses of securities companies. The hedge tools will be further expanded in the future, which along with the derivatives business development, derivatives trading tools and mature investment trading ability, will support the development of the investment banking, brokerage, wealth management, international business and other businesses of the Company. Sixthly, the dual-way opening up of the securities industry will continue to advance. The capital market will continue to deepen the domestic and foreign interconnection mechanism, expand the interconnection asset subjects, and further optimize the cross-border trading mechanism. The securities industry will seize the opportunity and continue to push ahead the high-quality development of cross-border business.

(II) Development Strategy of the Company

According to the national “14th Five-Year” plan and based on the Company’s actual condition, the Company studied and formulated the 2021-2025 Strategic Planning Outline of Shenwan Hongyuan, clarified the overall development strategies of integration, collective, professionalism, internationalization and digitization, and the overall development goal of “becoming the first-class comprehensive financial service provider with securities business as the core, with high quality development as the theme, with seeking progress while maintaining stability as main keynote, with investment + investment banking as characteristics, and financial technology empowerment” in the future.

(III) Operation Plan

In 2024, the Company will adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implement the spirit of the 20th National Congress, the Second Plenary Session of the 20th Central Committee of the Communist Party of China, the third plenary session of the 20th Communist Party of China Central Commission for Discipline Inspection, the Central Financial Work Conference and the Central Economic Work Conference, strengthen the Party’s overall leadership over financial work, insist on the general keytone of seeking progress while maintaining stability, firmly grasp the primary task of high-quality development, and continue to deepen the inspection and application of achievements of the “look back” rectification. With the goal of building a “first-class comprehensive financial services provider”, the Company will strengthen strategic leadership and optimize strategic layout, continue to make up for shortcomings and weaknesses, optimize systems and mechanisms, accelerate business transformation, improve the quality and efficiency of serving national strategies, firmly guard the bottom line against systemic risks, unwaveringly follow the path of financial development with Chinese characteristics, and make new contributions to support for the construction of powerful China and national rejuvenation.

(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 (including subsidiaries) was RMB240 million. The global economy was slowly recovering, but the instability of the international political environment resulted in the lack of overall economic growth momentum. China’s economic development still faced the triple pressure of shrinking demand, supply shock and weaker expectation, uncertainty factors increased and market risk management faced great challenges.

The countermeasures taken by the Company include but are not limited to: (1) in the face of fluctuation of the capital market and commodity market during the year, 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, enhancing the backtest and inspection of VaR model of various financial assets, and fully playing the role of VaR in asset portfolio risk management; (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.

Domestic economic growth momentum was weak, and some high-risk industrial bodies, or enterprises with poor hematopoietic capacity and large short-term debt turnover pressure, still had relatively large credit risks. In the context of frequent 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 establishing the internal rating model 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, enhancing the mark to market management of performance deposits, and improving the pressure test mechanism of credit risk

of counterparties; 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, frequency occurrence of bankruptcy events of overseas banks as well as local geopolitical conflicts, the liquidities of overseas financial markets have been shocked intensively, and the global and domestic capital markets have continued to be 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) 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; (3) optimizing the liquidity risk measurement model, improving the capabilities to predict changes in cash flow from operations and analyze gaps; (4) 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; (5) assessing the Company's capabilities to report and handle liquidity risk emergency, continuously perfecting liquidity emergency scenarios, improving the practical performance of emergency drills and enhancing Company's capabilities to respond to liquidity crisis by conducting liquidity risk emergency drills; (6) important business units (including subsidiaries) shall establish a liquidity risk emergency management mechanism, carry out regular liquidity risk emergency drills, and prevent the transmission of business liquidity risks to the Company; and (7) improving liquidity risk limit indicators of subsidiaries and enhancing daily risk monitoring to strengthen the liquidity risks 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, 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 widespread use of information systems, 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, focusing on the main responsibilities and main business, accomplishing the "five major articles" including technology finance, green finance, inclusive finance, pension finance and digital finance with high quality financial services, positively servicing regional coordinated development and "Belt and Road Initiative" construction, and comprehensive boosting the stable development of the real economy; (2) strengthening the research and analysis of the macroeconomic situation and industry dynamics, adjusting risk control policies and business strategies in due course, improving the perspectiveness and initiative of risk management, 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 regulatory authorities successively promulgated new provisions on investment banking business, brokerage business, private asset management business, private fund business, information security, procedural trading, etc., and solicited public opinions on the Provisions of Strengthening the Securities Trading Management of Public Fundraising Securities Investment Funds and the Measures of Supervision and Administration of Private Investment Funds, comprehensively strengthened the responsibilities of main bodies of securities company on operation and management; continuously intensified the inspection on securities companies, adhered to the penetrating supervision and whole chain accountability, and gave severe punishment for illegal behaviors. The legal compliance management of the Company faces great challenges.

The countermeasures taken by the Company include but are not limited to: (1) continuously strengthening the construction of compliance culture, preparing the “Legal Compliance Information News” and the “New Regulation Express” in a timely manner, and carrying out special compliance training; (2) continuing to strengthen the promotion of the new regulations, and actively promoting the implementation of new regulations; (3) continuing to strengthen the compliance review in key business areas, and strengthening the compliance self-inspection and inspection; (4) carefully organizing the management of customer transaction behavior, continuously strengthening anti-money laundering and information barrier management, and strictly implementing the requirements of customer appropriateness management; and (5) continuing to improve the legal compliance management system, optimizing the assessment and accountability mechanism and strengthening the construction of the legal compliance talent team.

7. Risk of innovative businesses

The Company adheres to the preservation and innovation. With the development and opening-up of the financial market, partial financial business structure and product types are becoming increasingly complex, the risks of innovative businesses are further emerging, and the corresponding risk control mechanism and standards need to be strengthened.

The countermeasures taken by the Company include but are not limited to: (1) continuing to improve the working mechanism of the product and business innovation committee, strengthening the audit of the innovative businesses of the Company and its subsidiaries, and coordinating the development of cross-line innovation 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, and 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) regularly conducting tracking management of innovative businesses, conducting tracking retrospective evaluation on the risk return as well as effectiveness of risk management and control measures of innovative businesses, then incorporating the retrospective evaluation results into the annual risk management performance assessment, continuously improving the risk management and control measures of innovative businesses and promoting the steady development of innovative businesses.

8. Reputation risk

During the Reporting Period, the Company did not experience any significant reputational risk events. The countermeasures taken by the Company against reputation risks include but are not limited to: the Company has incorporated the reputation risk management into the comprehensive risk management system, and established a reputation risk management framework, division of responsibilities, and management requirements with clear responsibilities. The Company followed the management principle of prevention as the main point, and defined the reputation risk report coordination mechanism, identification and evaluation mechanism as well as emergency disposal mechanism. Besides, the Company, through effective public opinion monitoring system, implemented the public opinion monitoring, and conducted the public opinion classification and hierarchy management. The Company could actively identify and resolve the reputation risk in daily operation and management, and respond various kinds of reputation risk events in a much proper manner.

9. Exchange rate risk

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. The underlying assets linked to the Company's cross-border derivatives business and the assets held by its overseas subsidiaries in their operating activities are mainly denominated in foreign currencies such as Hong Kong dollars and US dollars, which expose to certain exchange rate risks.

The countermeasures taken by the Company include but are not limited to: strengthening the analysis and research on the exchange rate trend, setting the foreign exchange risk exposure limit, and exploring the use of foreign exchange forward, futures, options, swaps and other ways to hedge the exchange rate risk, and effectively controlling the exchange rate risk. 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 Section V "Environmental and Social Responsibility" of this report. In terms of environmental policies and performance, the Company has complied with the "comply or explain" provisions set out in the Environmental, Social and Governance Reporting Guide as set out in Appendix C2 to the Hong Kong Listing Rules in this year. For details, please refer to the "2023 Sustainability and Environmental, Social and Governance Report of Shenwan Hongyuan Group Co., Ltd." published by the Company.

For corporate governance, please refer to Section IV "Corporate Governance" of this report. The Company has fully complied with all code 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 2023, 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 2023, the income attributable to the Group's five largest customers accounted for 5.35% of the revenue, 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 standardize 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 2023, the amount of investment in charitable advertising, disaster relief donations, education grants, charitable donations, and other public welfare aspects was RMB49.0272 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 2023 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.

XXV. IMPLEMENTATION OF THE "DOUBLE ENHANCEMENT OF QUALITY AND RETURNS" ACTION PLAN

In order to deeply practice the investor-oriented concept, effectively improve the quality and investment value of listed companies, and safeguard the interests of all shareholders of the Company, the Company has actively responded to the call of the Shenzhen Stock Exchange for "Double Enhancement of Quality and Returns" and formulated the action plan of "Double Enhancement of Quality and Returns", proposing four initiatives, such as adhering to the investor-oriented principle and enhancing investor returns, strengthening functional positioning and fulfilling the main responsibilities and main businesses, adhering to the strategic leadership and improving core competitiveness, and adhering to the "double-wheel drive" of corporate governance and information disclosure, and enhancing the quality and effectiveness of governance and building value for development. For details, please refer to the Announcement of the "Double Enhancement of Quality and Returns" Action Plan of Shenwan Hongyuan Group Co., Ltd. published by the Company on February 29, 2024 in the China Securities Journal, Securities Times, and Shanghai Securities News and on Cninfo website (www.cninfo.com.cn). Up to now, the implementation status is as follows:

1. Adhered to investor-oriented and strengthening investor returns

While perfecting the governance and strengthening the internal strength, cultivating the main business and improving the quality, the Company firmly established the awareness of returning to shareholders, balanced the goal of shareholder return and the needs of business development, and enhanced the sense of gain of investors through sustained and stable cash dividends. The accumulated cash dividends since 2015 amounted to RMB14.250 billion, and the ratio of annual cash dividends (proposed) to the net profit attributable to the parent company for the current year in 2023 is 30.44%. The Company has cultivated a financial culture with Chinese characteristics, adhered to the principles of honesty and trustworthiness,

taking advantage of righteousness, prudence, integrity and innovation, and compliance with the law. The Company attached great importance to investor protection, actively built an insurance system that is in line with the concept of “big insurance”, and built up a strong defense for the protection of investor rights and interests with high-quality investment education work. The Company’s investor education work maintained an A grade, the investment education base has been rated “excellent” by the CSRC, and the results of the evaluation of the cultural construction practice maintained an A grade. The Company has been selected as one of the outstanding cases in the annual report of the China Securities Association on the cultural construction of the securities industry for three consecutive years.

2. Strengthened functional positioning and fulfilled main responsibilities and main businesses

As a large state-owned securities company and investment institution, the Company actively practices the political and people-oriented nature of financial work, leverages professional advantages of comprehensive financial services, and strengthens high-quality financial services for major strategies, key areas and weak links. The Company assisted a large number of high-tech enterprises in listing or refinancing, and served the development of enterprises and construction of modern industrial systems. The Company effectively performs the responsibilities of the “gatekeeper” of the capital market, and has strengthened the practice concepts and professional capabilities to match the registration system. The Company maintains a leading position in the industry in the professional quality evaluation on the Beijing Stock Exchange, and has been rated as a Class A for bond business practice ability by the China Securities Association for four consecutive years, facilitating the in-depth implementation of the registration system. The Company focuses on the entire life cycle of enterprise, optimizes business layout, and builds a small and medium-sized enterprise service industry chain with the characteristics of Shenwan Hongyuan. We ranked first in the industry in terms of the cumulative number of enterprises recommended for listing on the NEEQ, the cumulative number of directional issuance for listed enterprises and the cumulative scale of equity financing for listed enterprises, and ranked first in the underwriting number of IPOs on the Beijing Stock Exchange in 2023.

3. Adhered to strategic leadership and improved core competitiveness

In the face of the complex and ever-changing internal and external market environment, the Company adhered to draw a blueprint to the end, insisted on the general principle of seeking progress while maintaining stability, coordinated development and security, highlighted the development characteristics of “investment + investment banking”, made every effort to promote business transformation, deepened reform, and drove competition and service capability improvement through innovation. The Company endeavoured to enhance the competitiveness position of light capital business in the market. As for wealth management business, the Company further established a customer-centric concept and accelerated the transformation from sell-side sales to buy-side investment advisory model. As for investment banking business, the Company deeply integrated into the comprehensive registration system reform, and optimized business structure, project structure and personnel structure. As for institutional business, the Company closely followed the comprehensive financial service needs of institutional clients and improved coordinated development model of large institutional business. As for asset management business, the Company always puts the interests of customers in the first place, and has further improved the investment and research system and enhanced proactive management capabilities, so as to return customers with long-term, stable and good investment performance. As for heavy capital business, the Company continued to enhance the ability to resist risks and fluctuations, consolidated investment and research advantages, deepened the asset allocation strategy, continue to optimize position structure, continuously improved product design and pricing capabilities, and strengthened and expanded the cross trade, so as to strengthen the stable, long-term, balanced and innovative nature of the business. In 2023, the operating performance achieved significant growth, which continued the trend of high-quality and stable development.

4. Adhered to the “double-wheel drive” of corporate governance and information disclosure, improved quality and efficiency of governance, and accumulated development value

The Company continued to deeply practice the “two-consistency” by organically integrating the adherence to and strengthening of the Party’s leadership with the improvement of corporate governance, so as to effectively transform political advantages into governance performance. The general meeting, the Board of Directors and the Board of Supervisors as well as the senior management perform their respective responsibilities, effectively check and balance and coordinate operation. The Company won a number of awards in the Best Practice Series of the China Association for Public Companies, including the “Best Practice for Board of Directors”, “Best Practice for Supervisory Committee”, “Performance Evaluation Level 5A of the Secretary” and “Best Practice for Board Office”. The Company strictly complies with laws, regulations and regulatory requirements, always adheres to the information disclosure concept guided by investor needs, and continuously improves the quality of information disclosure. The Company has been awarded evaluation class A on information disclosure by the Shenzhen Stock Exchange for eight consecutive years. Adhering to the concept of “respecting investors, honouring investors and protecting investors”, the Company actively strengthened communication with the market, regularly held performance presentations, participated in online collective reception days for investors of listed companies, and carefully listened to opinions and suggestions through multiple platforms such as the Company’s website, the interaction platform of the Shenzhen Stock Exchange and investor hotline, so as to strengthen the voice and sense of gain of small and medium-sized investors. The Company actively integrated social responsibility into our core value framework, promoted the organic integration of ESG management improvement with serving national strategy and operation and management, fulfilled ESG responsibilities at multiple levels, and improved ESG performance in various aspects, achieving continuous improvement in ESG ratings.

By order of the Board of Directors

Liu Jian
Chairman

March 28, 2024

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 1 general meeting, 5 meetings of the Board of Directors, 4 meetings of the Board of Supervisors, 1 meeting of the Strategy and ESG Committee of the Board of Directors, 2 meetings of the Remuneration and Nomination Committee of the Board of Directors, 7 meetings of the Audit Committee of the Board of Directors, and 2 meetings of the Risk Control Committee of the Board of Directors. The convening, proposal, holding, voting and resolutions of the previous general meetings, meetings of the Board of Directors, meetings of the Board of Supervisors and meetings of the special committees under the Board of Directors were all in compliance with laws and regulations, normative documents, as well as the Articles of Association, the Rules of Procedure of the General Meeting, the Rules of Procedure of the Board of Directors, and the Rules of Procedure of the Board of Supervisors. Each of the Directors and Supervisors has performed its duties and obligations with diligence in accordance with laws and regulations as well as the Articles of Association, and each of the independent Directors has considered the proposals and provided independent opinion with due care in accordance with the 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.

- (IV) The Company actively responded to the call of the CSRC and the Securities Association of China, continuously improved the ideas and initiatives of industry culture construction in development, built the core industry culture concept of “compliance, integrity, professionalism and stability”, and created a first-class state-owned financial enterprise with “faith and responsibility”. The Company practiced the core values of “seeking truth and innovation while pursuing integrity and sincerity in practice”, adhered to the development concept of “seeking progress while maintaining stability, pursuing innovation on the basis of what has worked in the past”, and followed the twelve articles of “Shenwan Hongyuan Consensus”, which enabled employees of the Group at all levels to achieve growth and fully release their potential by acting in a lawful, ethical and responsible manner, so that the Company can provide sustainable long-term performance and operate in a way that benefits society and the environment. The Company’s core values and development concept provide guidance for the conduct and behavior of employees, ensuring that they are integrated into business operations, workplace policies and practices and stakeholder relationships of the Company. The management is responsible for setting the tone and creating the corporate culture for the Company, and defining the mission, values and strategic direction of the Group, which are reviewed by the Board. Considering that corporate culture is reflected in various environments, such as labor force participation, employee retention and training, legal and regulatory compliance, employee safety, welfare and support, the Group’s culture, mission, value and strategies remain consistent.

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) Organization independence: The Company has established and improved its internal operation and management organizations, 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. Otherwise, the convener shall not change the proposal set out in the notice of the general meeting or add any new proposal after the said notice announcement is served.

(II) General meetings held during the Reporting Period

Session of meeting	Type of meeting	Investor participation ratio	Convening date	Titles of resolutions of the meeting	Status of resolutions	Disclosure date and disclosure index
2022 annual general meeting	Annual general meeting	63.14%	2023-06-20	<ol style="list-style-type: none"> 1. The Resolution Regarding Consideration of the 2022 Work Report of the Board of Directors of the Company 2. The Resolution Regarding Consideration of the 2022 Work Report of the Board of Supervisors of the Company 3. The Resolution Regarding Consideration of the 2022 Annual Financial Report of the Company 4. The Resolution Regarding the 2022 Profit Distribution Plan of the Company 5. The Resolution Regarding Consideration of the 2022 Annual Report of the Company 6. The Resolution Regarding the Estimated Ordinary Related Party Transactions for 2023 (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 Amendments to the Plan on Authorization to the Board by the General Meeting of Shenwan Hongyuan Group Co., Ltd. 9. The Resolution Regarding the Appointment of Auditors of the Company for 2023 	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 21, 2023 and the website of HKEXnews of the Hong Kong Stock Exchange at www.hkexnews.hk on June 20, 2023

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)

(III) 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 of Executive Committee	Male	50	August 26, 2022 to present December 23, 2022 to present	0	147.98	No
Huang Hao	Executive director Vice Chairman General manager Vice chairman of Executive Committee	Male	50	May 28, 2021 to present February 29, 2024 to present December 18, 2020 to present December 23, 2022 to present	0	147.98	No
Ren Xiaotao	Non-executive director	Male	52	March 21, 2019 to present	0	–	Yes
Zhang Yigang	Non-executive director	Male	60	June 23, 2020 to present	0	–	Yes
Zhu Zhilong	Non-executive director	Male	53	May 28, 2021 to present	0	–	Yes
Zhang Ying	Non-executive director	Female	52	October 22, 2021 to present	0	–	Yes
Shao Yalou	Non-executive director	Male	47	December 29, 2022 to present	0	–	Yes
Yeung Siuman Shirley	Independent non-executive director	Female	60	November 5, 2020 to present	0	24	Yes
Wu Changqi	Independent non-executive director	Male	68	May 28, 2021 to present	0	27	Yes
Chen Hanwen	Independent non-executive director	Male	55	May 28, 2021 to present	0	27	Yes
Zhao Lei	Independent non-executive director	Male	49	May 28, 2021 to present	0	24	Yes
Fang Rongyi	Supervisor, Chairman of the Board of Supervisors	Male	57	October 22, 2021 to present	0	147.98	No
Chen Yan	Supervisor	Female	48	May 28, 2021 to present	0	–	Yes
Jiang Yang	Supervisor	Male	45	May 28, 2021 to present	0	–	Yes
Li Yan	Employee representative supervisor	Female	52	May 28, 2021 to present	0	86.75	No
Zhou Jie	Employee representative supervisor	Female	50	May 28, 2021 to present	0	86.70	No
Ren Quansheng	Member of Executive Committee Chief financial officer	Female	55	May 28, 2021 to present December 18, 2020 to present	0	111.89	No
Liu Yue	Member of Executive Committee	Male	55	May 28, 2021 to present	0	111.89	No
Xu Liang	Secretary to the Board	Male	48	March 15, 2021 to present	0	99.79	No
Total					0	1,042.96	

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, subsidies and benefits for the year paid in 2023.

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

During the Reporting Period, there was no resignation of directors and supervisors or dismissal of senior management during their terms of office.

(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 executive director and chairman of Shenwan Hongyuan Group Co., Ltd. since August 2022; the executive director and chairman of Shenwan Hongyuan Securities Co., Ltd. since September 2022; the chairman of the Executive Committee of Shenwan Hongyuan Group Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd. since December 2022, and the general manager (acting) of Shenwan Hongyuan Securities Co., Ltd. from August 2023 to February 2024. 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 (黃昊) currently serves as an executive director, Vice Chairman, 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, the deputy director and division director of the equity management division of the China Development Bank of the general department, the managing director and deputy director of securities institution management department and the deputy director of the securities institution management department/insurance institution management department, the deputy director of the leading group office of the directly managed enterprise/equity management department II and the director of the general management department of Central Huijin Investment Ltd. from February 2005 to November 2020; served as a director of Guotai Junan Securities Co., Ltd. (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 the chairman of the Executive Committee of Shenwan Hongyuan Group Co., Ltd. from May 2021 to December 2022; an executive director of Shenwan Hongyuan Group Co., Ltd. since May 2021; the vice chairman of the Executive Committee of Shenwan Hongyuan Group Co., Ltd. since December 2022 to present; and the Vice Chairman of Shenwan Hongyuan Group Co., Ltd. since February 2024 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; a director of Shenwan Hongyuan Securities Co., Ltd. since June 2019 till now; the managing director of the directly managed enterprises leading group/equity management department II of Central Huijin Investment Ltd. since February 2021 till now; and a non-executive director of Shenwan Hongyuan (H.K.) Limited since October 2023 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 nonexecutive 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, a director of Shanghai Eastern Hub Investment and Construction Development Group Co., Ltd. since February 2023 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 director of Shenwan Hongyuan Securities Co., Ltd. since September 2021 till now; a non-executive director of Shenwan Hongyuan Group Co., Ltd. since October 2021 till now; and a director of Hongyuan Futures Co., Ltd. since September 2023 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; 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; serves as a director of Shenwan Hongyuan Securities Co., Ltd. since December 2022; serves as a non-executive director of Shenwan Hongyuan Group Co., Ltd. since December 2022; and serves as a director of Shenwan Futures Co., Ltd. since September 2023. 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 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 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 vice president 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 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 a doctoral tutor 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; an independent director of Dalian Wanda Commercial Management Group Co., Ltd. from May 2017 to July 2023; an independent director of Shanghai Fuiou Payment Service Co., Ltd. from May 2017 to February 2023; an independent director of Beijing Tri-Prime Gene Pharmaceutical Co., Ltd. (837344.OC) from November 2018 to January 2024; 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; an independent director of Bank of Suzhou Co, Ltd. (002966.SZ) since February 2023; 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 high-end 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 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; an independent director of Nanning Department Store Co. Ltd. (600712. SH) from April 2018 to September 2022; an independent director of Shanghai Haohai Biological Technology Co., Ltd. (688366.SH, 06826.HK) since June 2020; an independent director of Chengdu Sino Microelectronics Technology Co., Ltd. since September 2021; an independent non-executive director of Shenwan Hongyuan Group Co., Ltd. since May 2021; and an independent director of Triangle Tyle Co., Ltd. (601163.SH) since June 2023. 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 concurrently served as the deputy director of the professional committee of the board of supervisors of China Association for Public Companies from November 2021

to May 2023; the director of the professional committee of the board of supervisors of China Association for Public Companies since May 2023; the chairman of Shanghai Shenwan Hongyuan Public Welfare Foundation (in preparation) from December 2021 to July 2022; the chairman of Shanghai Shenwan Hongyuan Public Welfare Foundation since July 2022; and the chairman of the labour union of Shenwan Hongyuan Securities Co., Ltd. since April 2023. 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; the general manager of the Comprehensive Management Department of Central Huijin Investment Ltd. since October 2022; and a director of China Export & Credit Insurance Corporation since April 2023. 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 headquarter 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 assistant to the general manager 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 served as the chairman of Xinjiang Tianshan Taifu Equity Investment Fund Management Co., Ltd. from December 2017 to September 2023; 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; and 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 (Group) Co., Ltd. (formerly known as Xinjiang Financial Investment Co., Ltd.) since December 2019; a director and the deputy general manager of Xinjiang Kaidi Investment Co., Ltd. since March 2020; he served as a director of Xinjiang Kaidi Mineral Investment Co., Ltd. from March 2020 to March 2023; he has served as the chairman and general manager of Xinjiang Kaidi Mineral Investment Co., Ltd. since March 2023; a supervisor of Shenwan Hongyuan Group Co., Ltd. since May 2021; an executive director and general manager of Xinjiang Kaidi Venture Capital Investment Co., Ltd. since March 2023; and a director of Xinjiang Kaidi Real Estate Development Co., Ltd. since April 2023. 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 former 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 (presiding work) 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. from October 2020 to December 2023; and she has served as the general manager of the legal risk control department of Shenwan Hongyuan Group Co., Ltd. since December 2023. 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 former 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 of former Hong Yuan Securities Co., Ltd.; and the deputy director of the Office of General Manager of of former 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 served as the vice chairwoman of the labor union of Shenwan Hongyuan Group Co., Ltd. from June 2015 to June 2023; 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 Vice Chairman, 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 Corporation* (哈爾濱電站進口公司) from March 1992 to February 1994; deputy manager (presiding work) 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, and a member of the Executive Committee of Shenwan Hongyuan Group Co., Ltd. since May 2021. 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 general manager of the office of the Board of Directors/strategic management department 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. (presiding 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 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 he has been the securities affairs representative of Shenwan Hongyuan Group Co., Ltd. since January 2015; and he served as the director of the office of the board of directors of Shenwan Hongyuan Group Co., Ltd. from April 2015 to December 2023; 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. from December 2017 to May 2023, 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 concurrently served as the person temporarily in charge of the strategic management department of Shenwan Hongyuan Group Co., Ltd. from September 2021 and December 2023; and he has concurrently served as the general manager of the office of the Board of Directors/strategic management department of Shenwan Hongyuan Group Co., Ltd. since December 2023. 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.

There is no relationship (including financial, business, family or other material/related relationship) between the directors, supervisors and senior management of the Company.

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.	Managing director of General Management Department	October 2022 to present	Yes
Jiang Yang	Xinjiang Financial Investment (Group) Co., Ltd. (formerly known as 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	
		General manager (acting)	August 2023 to February 2024	
Ren Xiaotao	Shenwan Hongyuan Securities Co., Ltd.	Director	June 2019 to present	No
	Shenwan Hongyuan (H.K.) Limited	Non-executive director	October 2023 to present	No
Zhang Ying	Shenwan Hongyuan Securities Co., Ltd.	Director	September 2021 to present	No
	Hongyuan Futures Co., Ltd.	Director	September 2023 to present	No
Shao Yalou	Shenwan Hongyuan Securities Co., Ltd.	Director	December 2022 to present	No
	Shenwan Futures Co., Ltd.	Director	September 2023 to present	No
Zhang Yigang	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
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

Section IV Corporate Governance (continued)

Name	Name of other entities	Position held in other entities	Tenure	Whether receiving remuneration and allowances from other entities
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
	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

Name	Name of other entities	Position held in other entities	Tenure	Whether receiving remuneration and allowances from other entities
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 July 2023	Yes
	Shanghai Fuiou Payment Service Co., Ltd.	Independent director	May 2017 to February 2023	Yes
	Beijing Tri-Prime Gene Pharmaceutical Co., Ltd. (837344.OC)	Independent director	November 2018 to January 2024	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
Bank of Suzhou Co, Ltd. (002966. SZ)	Independent director	February 2023 to present	Yes	

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Section IV Corporate Governance (continued)

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 (part-time) of the Financial Trial Professional Committee	October 2019 to present	No	
	China Bank Law Research Association	Executive member	November 2020 to present	No	
	Shanghai Haohai Biological Technology Co., Ltd. (688366.SH, 06826.HK)	Independent director	June 2020 to present	Yes	
	Chengdu Sino Microelectronics Technology Co., Ltd.	Independent director	September 2021 to present	Yes	
	Triangle Tyle Co., Ltd. (601163.SH)	Independent director	June 2023 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	
		Chairman of the labour union	April 2023 to present	Yes	
Professional Committee of the Board of Supervisors of China Association for Public Companies		Vice chairman	November 2021 to May 2023	No	
Shanghai Shenwan Hongyuan Public Welfare Foundation	Chairman	May 2023 to present	No		
	Chairman	July 2022 to present	No		

Name	Name of other entities	Position held in other entities	Tenure	Whether receiving remuneration and allowances from other entities
Chen Yan	Shenwan Hongyuan Securities Co., Ltd.	Supervisor	May 2021 to present	No
	China Export & Credit Insurance Corporation	Director	April 2023 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 Tianshan Taifu Equity Investment Fund Management Co., Ltd.	Chairman	December 2017 to September 2023	No
	Xinjiang Kaidi Investment Co., Ltd.	Director and deputy general manager	March 2020 to present	No
	Xinjiang Kaidi Mineral Investment Co., Ltd.	Director	March 2020 to March 2023	No
		Chairman and general manager	March 2023 to present	No
Xinjiang Kaidi Venture Capital Investment Co., Ltd.	Executive director and general manager	March 2023 to present	No	
Xinjiang Kaidi Real Estate Development Co., Ltd.	Director	April 2023 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
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	No
	Hongyuan Huifu Capital Co., Ltd.	Director (part-time)	December 2017 to May 2023	No
	Hongyuan Huizhi Investment Co., Ltd.	Director (part-time)	November 2013 to present	No
		Chairman (part-time)	December 2020 to present	No

4. Penalty imposed by any securities regulatory authorities against the current and resigned directors, supervisors and senior management during the Reporting Period of the Company 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 original 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 completed 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, in the last three years, none of the current and resigned directors, supervisors and senior management during the Reporting Period of the Company 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 RMB10.4296 million. In particular, the remuneration before tax of directors, supervisors and senior management of the Company accounts for 38.16%, 30.82% and 31.02% of the total amount of remuneration, respectively.

5. **Actual payment of remuneration to directors, supervisors and senior management**

For details, please refer to the "Basic information of Directors, Supervisors and Senior Management". The deferred compensation (tax exclusive) of previous years paid by the Company during the Reporting Period:

(1) Liu Jian: RMB161,800; (2) Huang Hao: RMB2.0564 million; (3) Fang Rongyi: RMB960,000; (4) Ren Quansheng: RMB2.0150 million; (5) Liu Yue: RMB2.1377 million; (6) Xu Liang: RMB2.0104 million; (7) Li Yan: RMB777,700; (8) Zhou Jie: RMB508,200.

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. At present, the Company has received the written confirmation 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 practices, 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 primarily exercise the following functions and powers: to convene and report to general meetings; to execute resolutions of general meetings; to resolve on the Company's business plans and investment plans; to prepare the annual financial budgets and final accounting plans of the Company; to prepare the profit distribution plan and loss makeup plan of the Company; to formulate the adjustment plan on profit distribution policy; to prepare plans for the increase or reduction of the registered capital of the Company, the issuance of bonds or other securities and the listing; to formulate plans for material acquisitions, purchase of shares of the Company, or merger, division, transformation and dissolution of the Company; to decide on matters such as external investment, acquisition and disposal of assets, asset mortgage, external guarantee, asset write-offs, disposal of non-performing assets, entrusted wealth management, connected transactions, etc. of the Company within the authority granted by general meetings; to resolve on the establishment of internal management organizations and branches of the Company; to appoint or dismiss the general manager, deputy general manager, member of the Executive Committee, chief financial officer, secretary to the Board and other senior management members of the Company and to determine their remunerations and rewards and penalties; to set up the basic management system of the Company; to formulate the proposals for any amendment to the Articles of Association; to formulate the share incentive scheme; to prepare proposals regarding the amount and distribution method of the emoluments of directors for approval at the general meeting; to manage the information disclosure of the Company; to propose to general meetings the appointment or change of the accounting firms 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 relevant systems 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 the deputy general manager, chief financial officer and other senior management members of the Company to the Board; 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 the Board of Directors of the Company comprises 11 directors:

Executive directors: Mr. Liu Jian (Chairman), Mr. Huang Hao (Vice Chairman and 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 No.	Date of meeting	Titles of resolutions of the meeting	Status of resolutions	Disclosure date and disclosure index
17th meeting of the fifth session of the Board of Directors	2023-03-30	1. To consider the Resolution Regarding the 2022 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, 2023 and the website of HKEXnews of Hong Kong Stock Exchange at www.hkexnews.hk on March 30, 2023.
		2. To consider the Resolution Regarding the 2022 Work Report of the General Manager of the Company	Approved	
		3. To consider the Resolution Regarding the 2022 Annual Financial Report of the Company	Approved	
		4. The Resolution Regarding the 2022 Profit Distribution Proposal of the Company	Approved	
		5. To consider the Resolution Regarding the 2022 Annual Report of the Company	Approved	
		6. To consider the Resolution Regarding the 2022 Internal Control Evaluation Report of Shenwan Hongyuan Group Co., Ltd.	Approved	
		7. To consider the Resolution Regarding the 2022 Social Responsibility Report/Environmental, Social and Governance Report of Shenwan Hongyuan Group Co., Ltd.	Approved	
		8. To consider the Resolution Regarding the Business Plan of the Company for 2023	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 Resolutions Regarding the Estimated Ordinary Related Party Transactions for 2023	Approved	
		11. To consider the Resolution Regarding the Amendments to the Plan on Authorization to the Board by the General Meeting of Shenwan Hongyuan Group Co., Ltd.	Approved	
		12. To consider the Resolution Regarding the Amendments to the Plan on Authorization to the Executive Committee by the Board of Shenwan Hongyuan Group Co., Ltd.	Approved	
		13. To consider the Resolution Regarding the Amendments to the Work Rules of the Audit Committee of the Board of Directors of Shenwan Hongyuan Group Co., Ltd.	Approved	
		14. To consider the Resolution Regarding the Amendments to the Management System for Registration of Insiders of Shenwan Hongyuan Group Co., Ltd.	Approved	
		15. To consider the Resolution Regarding the Amendments to the Risk Management System of Shenwan Hongyuan Group Co., Ltd.	Approved	
		16. To consider the Resolution Regarding the Amendments to the Risk Appetite of Shenwan Hongyuan Group Co., Ltd.	Approved	
		17. To consider the Resolution Regarding the Risk Tolerance of Shenwan Hongyuan Group Co., Ltd. for 2023	Approved	
		18. To consider the Resolution Regarding the Re-appointment of Auditors of the Company for 2023	Approved	
		19. The Resolution Regarding the Authorization of Convening 2022 Annual General Meeting of the Company	Approved	

Section IV Corporate Governance (continued)

Session No.	Date of meeting	Titles of resolutions of the meeting	Status of resolutions	Disclosure date and disclosure index
18th meeting of the fifth session of the Board of Directors	2023-04-28	To consider the Resolution Regarding the 2023 First Quarterly Report of the Company	Approved	For details of the resolutions considered at the meeting, please refer to the relevant announcements disclosed by the Company in China Securities Journal, Securities Times and Shanghai Securities News, as well as the website of Cninfo at www.cninfo.com.cn on April 29, 2023 and the website of HKEXnews of Hong Kong Stock Exchange at www.hkexnews.hk on April 28, 2023.
19th meeting of the fifth session of the Board of Directors	2023-08-30	To consider the Resolution Regarding the 2023 Interim Report of the Company	Approved	For details of the resolutions considered at the meeting, please refer to the relevant announcements disclosed by the Company in China Securities Journal, Securities Times and Shanghai Securities News, as well as the website of Cninfo at www.cninfo.com.cn on August 31, 2023 and the website of HKEXnews of Hong Kong Stock Exchange at www.hkexnews.hk on August 30, 2023.
20th meeting of the fifth session of the Board of Directors	2023-10-30	To consider the Resolution Regarding the 2023 Third Quarterly Report of the Company	Approved	For details of the resolutions considered at the meeting, please refer to the relevant announcements disclosed by the Company in China Securities Journal, Securities Times and Shanghai Securities News, as well as the website of Cninfo at www.cninfo.com.cn on October 31, 2023 and the website of HKEXnews of Hong Kong Stock Exchange at www.hkexnews.hk on October 30, 2023.
21th meeting of the fifth session of the Board of Directors	2023-12-15	1. To consider the Resolution Regarding the Adjustment to the Organization Structure of the Head Office of Shenwan Hongyuan Group Co., Ltd.	Approved	For details of the resolutions considered at the meeting, please refer to the relevant announcements disclosed by the Company in China Securities Journal, Securities Times and Shanghai Securities News, as well as the website of Cninfo at www.cninfo.com.cn on December 16, 2023 and the website of HKEXnews of Hong Kong Stock Exchange at www.hkexnews.hk on December 15, 2023.
		2. To consider the Resolution Regarding the Amendments to the Remuneration Management System of Shenwan Hongyuan Group Co., Ltd. (Trial)	Approved	
		3. To consider the Resolution Regarding the Measures on Payroll Management of Shenwan Hongyuan Group Co., Ltd. (Trial)	Approved	
		4. To consider the Resolution Regarding the Measures on Remuneration Management of Senior Management of Shenwan Hongyuan Group Co., Ltd.	Approved	
		5. To consider the Resolution Regarding the Remuneration Settlement Plan for Senior Management of Shenwan Hongyuan for 2022	Approved	

(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 not in person for two consecutive times		Number of general meetings attended
							attended	Number of consecutive times	
Liu Jian	Executive director, chairman	5	5	0	0	0	Nil		1
Huang Hao	Executive director, vice chairman, general manager	5	4	1	0	0	Nil		1
Ren Xiaotao	Non-executive director	5	5	0	0	0	Nil		1
Zhang Yígang	Non-executive director	5	0	5	0	0	Nil		0
Zhu Zhilong	Non-executive director	5	1	4	0	0	Nil		0
Zhang Ying	Non-executive director	5	5	0	0	0	Nil		1
Shao Yalou	Non-executive director	5	5	0	0	0	Nil		1
Yeung Siunan Shirley	Independent non-executive director	5	0	5	0	0	Nil		1
Wu Changqi	Independent non-executive director	5	0	5	0	0	Nil		1
Chen Hanwen	Independent non-executive director	5	2	3	0	0	Nil		1
Zhao Lei	Independent non-executive director	5	2	3	0	0	Nil		1

(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 the Board meetings. 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 2023 are as follows:

Name	Position	Training method and content
Liu Jian	Executive director, chairman	<ol style="list-style-type: none"> 1. Attended the Online Trainings for Chairmen, General Managers and Chairmen of the Supervisory Committees of Listed Companies in the Jurisdiction held by Xinjiang Securities Regulatory Bureau from November 20 to December 18, 2023; 2. Attended and completed the training for Decoding of the Reform of Independent Directors System of Listed Companies and the Standardized Governance and Best Practice of Listed Companies on the training platform of the China Association for Public Companies on November 29, 2023; 3. Attended the training for "Carbon Peaking and Carbon Neutrality and Typical Cases" of China E-learning Academy for Leadership in 2023.

Name	Position	Training method and content
Huang Hao	Executive director, vice chairman	<ol style="list-style-type: none"> 1. Attended the Specific Training for "Decoding of Registration System Reform Policies of Listed Company" jointly organized by Xinjiang Securities Regulatory Bureau and the China Association for Public Companies on March 13, 2023; 2. Attended the "Specific Series of Training for Decoding Policies (43rd Session)" organized by the China Association for Public Companies on April 20, 2023; 3. Attended the Online Trainings for Chairmen, General Managers and Chairmen of the Supervisory Committees of Listed Companies in the Jurisdiction held by Xinjiang Securities Regulatory Bureau from November 20 to December 18, 2023.
Ren Xiaotao	Non-executive director	<ol style="list-style-type: none"> 1. Attended the "Specific Series of Training for Compliance Management" organized by the China Association for Public Companies on March 2, 2023; 2. Attended the Specific Trainings for Comprehensive Registration Reform organized by the China Association for Public Companies from April 6 to April 30, 2023; 3. Attended the training themed High-quality Development of Listed Companies under the Comprehensive Registration organized by Xinjiang Securities Regulatory Bureau on May 25, 2023; 4. Attended the 43rd training for dispatched directors and supervisors organized by China Investment Corporation from July 2 to July 7, 2023; 5. Attended the "Specific Training for Financial Management" organized by the China Association for Public Companies on July 19, 2023; 6. Attended the "Specific Series of Training for Decoding Policies" organized by the China Association for Public Companies on August 10, 2023; 7. Attended the "Specific Training for Compliance Management (19th Session)" organized by the China Association for Public Companies on August 17, 2023; 8. Attended the Specific Training for the Reform of Independent Directors System of Directors, Supervisors and Senior Management of Listed Companies in Xinjiang (1st Session) jointly organized by Xinjiang Securities Regulatory Bureau and Xinjiang Listed Companies Association on October 25, 2023.
Zhang Yigang	Non-executive director	Attended the training themed High-quality Development of Listed Companies under the Comprehensive Registration organized by Xinjiang Securities Regulatory Bureau on May 25, 2023.
Zhu Zhilong	Non-executive director	<ol style="list-style-type: none"> 1. Attended the training themed High-quality Development of Listed Companies under the Comprehensive Registration organized by Xinjiang Securities Regulatory Bureau on May 25, 2023; 2. Attended the Online Trainings for Chairmen, General Managers and Chairmen of the Supervisory Committees of Listed Companies in the Jurisdiction held by Xinjiang Securities Regulatory Bureau from November 20 to December 18, 2023.

Name	Position	Training method and content
Zhang Ying	Non-executive director	<ol style="list-style-type: none"> 1. Attended the training themed High-quality Development of Listed Companies under the Comprehensive Registration organized by Xinjiang Securities Regulatory Bureau on May 25, 2023; 2. Attended the 43rd training for dispatched directors and supervisors organized by China Investment Corporation from July 2 to July 7, 2023; 3. Attended the "Specific Training for Financial Management" organized by the China Association for Public Companies on July 19, 2023; 4. Attended the Specific Training for the Reform of Independent Directors System of Directors, Supervisors and Senior Management of Listed Companies in Xinjiang (1st Session) jointly organized by Xinjiang Securities Regulatory Bureau and Xinjiang Listed Companies Association on October 25, 2023.
Shao Yalou	Non-executive director	<ol style="list-style-type: none"> 1. Attended the training themed High-quality Development of Listed Companies under the Comprehensive Registration organized by Xinjiang Securities Regulatory Bureau on May 25, 2023; 2. Attended the 43rd training for dispatched directors and supervisors organized by China Investment Corporation from July 2 to July 7, 2023; 3. Attended the 2nd Session of the 2023 Induction Training for Directors, Supervisors and Senior Management of Listed Companies of the Shenzhen Stock Exchange from September 27, 2023 to October 26, 2023; 4. Attended the Specific Training for the Reform of Independent Directors System of Directors, Supervisors and Senior Management of Listed Companies in Xinjiang (1st Session) jointly organized by Xinjiang Securities Regulatory Bureau and Xinjiang Listed Companies Association on October 25, 2023.
Yeung Siuman Shirley	Independent non-executive director	Attended the Online Trainings for Chairmen, General Managers and Chairmen of the Supervisory Committees of Listed Companies in the Jurisdiction held by Xinjiang Securities Regulatory Bureau from November 20 to December 18, 2023.
Wu Changqi	Independent non-executive director	<ol style="list-style-type: none"> 1. Attended the Specific Training for "Decoding of Registration System Reform Policies of Listed Company" jointly organized by Xinjiang Securities Regulatory Bureau and the China Association for Public Companies on March 13, 2023; 2. Attended the training themed High-quality Development of Listed Companies under the Comprehensive Registration organized by Xinjiang Securities Regulatory Bureau on May 25, 2023; 3. Attended the Online Trainings for Chairmen, General Managers and Chairmen of the Supervisory Committees of Listed Companies in the Jurisdiction held by Xinjiang Securities Regulatory Bureau from November 20 to December 18, 2023; 4. Attended the 6th session of the 2023 subsequent training for independent directors of listed companies of the Shanghai Stock Exchange from December 14 to December 27, 2023.

Name	Position	Training method and content
Chen Hanwen	Independent non-executive director	<ol style="list-style-type: none"> 1. Attended the "ESG Specific Training" organized by the China Association for Public Companies on January 5, 2023; 2. Attended the Specific Trainings for Comprehensive Registration Reform organized by the China Association for Public Companies from April 6 to April 30, 2023; 3. Attended the training themed High-quality Development of Listed Companies under the Comprehensive Registration organized by Xinjiang Securities Regulatory Bureau on May 25, 2023.
Zhao Lei	Independent non-executive director	<ol style="list-style-type: none"> 1. Attended the Specific Trainings for Comprehensive Registration Reform organized by the China Association for Public Companies from April 6 to April 30, 2023; 2. Attended the training themed High-quality Development of Listed Companies under the Comprehensive Registration organized by Xinjiang Securities Regulatory Bureau on May 25, 2023; 3. Attended the 134th Session of Training for Independent Directors of Listed Companies organized by the Shenzhen Stock Exchange from September 5 to 6, 2023.

(8) *Mechanism for directors 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 solicit for 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, have no relationship with the Company and their substantial shareholders that may affect its independent and objective judgment, and have 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. The Board will review the implementation and effectiveness of the above-mentioned mechanism annually.

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; Members: Huang Hao, Wu Changqi, Ren Xiaotao, Shao Yalou

Remuneration and Nomination Committee of the Board of Directors

Chairman: Wu Changqi; Members: Liu Jian, 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; 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 national policies, 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.

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	Other	Specific
					suggestions made	performance of duties	objection (if any)
Strategy and ESG Committee of the Board of Directors	Chairman: Liu Jian; Members: Huang Hao, Wu Changqi, Ren Xiaotao, Shao Yalou	2023 first meeting of the Strategy and ESG Committee of the Board of Directors	2023-03-16	1. To consider the 2022 Report on Performance of Duties by the Strategy and ESG Committee of the Board of Directors; 2. To consider the 2022 Social Responsibility Report/Environmental, Social and Governance Report of Shenwan Hongyuan Group Co., Ltd., and heard the 2022 Work Report of Shenwan Hongyuan on Serving the National Strategy.	-	-	Nil

- (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 election of directors and senior management personnel; identify 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 its summary 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, Chen Hanwen, Zhao Lei, Zhang Ying	2023 first meeting of the Remuneration and Nomination Committee of the Board of Directors	2023-03-02	To consider the 2022 Report on Performance of Duties by the Remuneration and Nomination Committee of the Board of Directors	-	-	Nil
		2023 second meeting of the Remuneration and Nomination Committee of the Board of Directors	2023-12-08	<ol style="list-style-type: none"> To consider the Resolution Regarding the Amendments to the Remuneration Management System of Shenwan Hongyuan Group Co., Ltd. (Trial); To consider the Resolution Regarding the Measures on Payroll Management of Shenwan Hongyuan Group Co., Ltd. (Trial); To consider the Resolution Regarding the Measures on Remuneration Management of Senior Management of Shenwan Hongyuan Group Co., Ltd.; To consider the Resolution Regarding the Remuneration Settlement Plan for Senior Management of Shenwan Hongyuan for 2022. 	-	To consider the Remuneration Management System of Senior Management	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 Siunan Shirley, Zhao Lei, Zhang Ying	2023 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	2023-01-19	(I) Audit Committee 1. To review the 2022 unaudited financial statements of the Company; 2. To review the audit schedule for annual financial report; 3. To communicate with the accountants responsible for annual audit. (II) Meeting between independent directors and certified public accountants responsible for annual audit 1. To hear the report of the management of the Company on the work of the Company in 2022; 2. To hear the report on the financial position and operating results of the Company for the year; 3. To hear the annual audit work arrangement and communicated with the certified public accountants responsible for annual audit on the audit focuses.	Recommendation to the Company on strengthening market research and continuously promoting business transformation and structural adjustment; Recommendation to the external auditors on guaranteeing audit resources and personnel allocation, strengthening industry benchmarking, and providing the Company management advice.	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
		2023 second meeting of the Audit Committee of the Board of Directors	2023-03-02	To consider the 2022 Financial Statements of the Company.	-	Supervision of the annual audit of the Company	Nil

Section IV Corporate Governance (continued)

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)
		2023 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	2023-03-15	<p>(I) Audit Committee</p> <ol style="list-style-type: none"> 1. To consider the 2022 Annual Report of the Company; 2. To consider the 2022 Internal Control Evaluation Report of the Company; 3. To consider the Resolution Regarding Non-assurance Engagement Framework of 2023 with Accountants Responsible for Annual Audit of the Company; 4. To consider the Resolution Regarding the Re-appointment of Auditors of the Company for 2023; 5. To consider the Resolution Regarding the Amendments to the Work Rules of the Audit Committee of the Board of Directors of Shenwan Hongyuan Group Co., Ltd.; 6. To consider the 2022 Report on Performance of Duties by the Audit Committee of the Board of Directors; 7. To consider the 2022 Internal Audit Work Report of the Company; 8. To consider the 2023 Internal Audit Work Plan of the Company. <p>(II) Meeting between independent directors and certified public accountants responsible for annual audit</p> <ol style="list-style-type: none"> 1. To review 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. To communicate with the certified public accountants responsible for annual audit on the audit focuses. <p>(III) Attended the meeting of the Risk Control Committee of the Board of Directors</p>	Recommendation to the external auditor to provide management advice on internal control and management of overseas subsidiaries	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)
		2023 fourth meeting of the Audit Committee of the Board of Directors	2023-04-21	To consider the 2023 First Quarterly Report of the Company.	-	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
		2023 fifth meeting of the Audit Committee of the Board of Directors	2023-08-11	1. To consider the 2023 Interim Report of the Company; 2. Attended the meeting of the Risk Control Committee of the Board of Directors.	-	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
		2023 sixth meeting of the Audit Committee of the Board of Directors	2023-10-20	To consider the 2023 Third Quarterly Report of the Company.	-	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
		2023 seventh meeting of the Audit Committee of the Board of Directors	2023-12-01	6. To consider the Resolution Regarding the 2023 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 setup 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; Members: Huang Hao, Yeung Siunan Shirley, Zhao Lei, Shao Yalou	2023 first meeting of the Risk Control Committee of the Board of Directors	2023-03-15	(I) Attended the meeting of the Audit Committee of the Board of Directors	Recommendation on enhancement of inspection of various risks, and adjustment on the risk management and control strategies in combination with macroeconomic and market condition	Supervision and review of risk management related systems	Nil
				(II) Risk Control Committee			
				1. To consider the Resolution Regarding the Amendments to the Risk Management System of Shenwan Hongyuan Group Co., Ltd.;			
				2. To consider the Resolution Regarding the Amendments to the Risk Appetite of Shenwan Hongyuan Group Co., Ltd.;			
				3. To consider the Resolution Regarding the Risk Tolerance of Shenwan Hongyuan Group Co., Ltd. for 2023;			
				4. To consider the 2022 Report on Performance of Duties by the Risk Control Committee of the Board of Directors;			
				5. To hear the Report on Risks of Shenwan Hongyuan Group Co., Ltd. for 2022.			
				(I) Attended the meeting of the Audit Committee of the Board of Directors			
		2023 second meeting of the Risk Control Committee of the Board of Directors	2023-08-11	(I) Attended the meeting of the Audit Committee of the Board of Directors	Recommendation on continuously improving professional management and control measures against various types of risks	-	Nil
				(II) To hear the Report on Risks of Shenwan Hongyuan Group Co., Ltd. for the First Half of 2023			

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/number of meetings that should be present
Liu Jian	Executive director, chairman of the Board of Directors, chairman of the Executive Committee, chairman of the Strategy and ESG Committee	1/1
Huang Hao	Executive director, vice chairman of the Board of Directors, general manager, vice chairman of the Executive Committee, member of the Strategy and ESG Committee	1/1
Wu Changqi	Independent non-executive director, member of the Strategy and ESG Committee	1/1
Ren Xiaotao	Non-executive director, member of the Strategy and ESG Committee	1/1
Shao Yalou	Non-executive director, member of the Strategy and ESG Committee	1/1

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

Name of member	Position	Attendance/number of meetings that should be present
Wu Changqi	Independent non-executive director, chairman of the Remuneration and Nomination Committee	2/2
Liu Jian	Executive director, chairman of the Board of Directors, 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	2/2
Zhao Lei	Independent non-executive director, member of the Remuneration and Nomination Committee	2/2
Zhang Ying	Non-executive director, member of the Remuneration and Nomination Committee	2/2

(3) *Audit Committee of the Board of Directors*

Name of member	Position	Attendance/number of meetings that should 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/number of meetings that should be present
Ren Xiaotao	Non-executive director, chairman of the Risk Control Committee	2/2
Huang Hao	Executive director, vice chairman of the Board of Directors, general manager, vice chairman of the Executive Committee, member of the Risk Control Committee	2/2
Yeung Siuman Shirley	Independent non-executive member, member of the Risk Control Committee	2/2
Zhao Lei	Independent non-executive member, member of the Risk Control Committee	2/2
Shao Yalou	Non-executive director, member of the Risk Control Committee	2/2

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 in 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 of the Board and the Company's Board Diversity Policy ensures that the Board will have potential candidates to continue the existing gender diversity of 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 Board of Supervisors 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 the 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 election 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 elected 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	Date of the meeting	Supervisors attending the meeting	Title of resolutions of the meeting	Status of resolutions	Disclosure date and disclosure index
10th meeting of the fifth session of the Board of Supervisors	2023-3-30	Fang Rongyi, Chen Yan, Jiang Yang, Li Yan, Zhou Jie	<ol style="list-style-type: none"> To consider the Resolution Regarding the 2022 Annual Financial Report of Shenwan Hongyuan Group Co., Ltd. To consider the Resolution Regarding the 2022 Profit Distribution Proposal of Shenwan Hongyuan Group Co., Ltd. To consider the Resolution Regarding the 2022 Internal Control Evaluation Report of Shenwan Hongyuan Group Co., Ltd. To consider the Resolution Regarding the 2022 Annual Report of Shenwan Hongyuan Group Co., Ltd. To consider the Resolution Regarding the 2022 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, 2023 and the website of HKEXnews of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk on March 30, 2023.
11th meeting of the fifth session of the Board of Supervisors	2023-04-28	Fang Rongyi, Chen Yan, Jiang Yang, Li Yan, Zhou Jie	To consider the Resolution Regarding the 2023 First Quarterly Report of Shenwan Hongyuan Group Co., Ltd.	Approved	Announcements of resolution of the meeting were exempt from disclosure
12th meeting of the fifth session of the Board of Supervisors	2023-08-30	Fang Rongyi, Chen Yan, Jiang Yang, Li Yan, Zhou Jie	To consider the Resolution Regarding the 2023 Interim Report of Shenwan Hongyuan Group Co., Ltd.	Approved	Announcements of resolution of the meeting were exempt from disclosure
13th meeting of the fifth session of the Board of Supervisors	2023-10-30	Fang Rongyi, Chen Yan, Jiang Yang, Li Yan, Zhou Jie	To consider the Resolution Regarding the 2023 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.

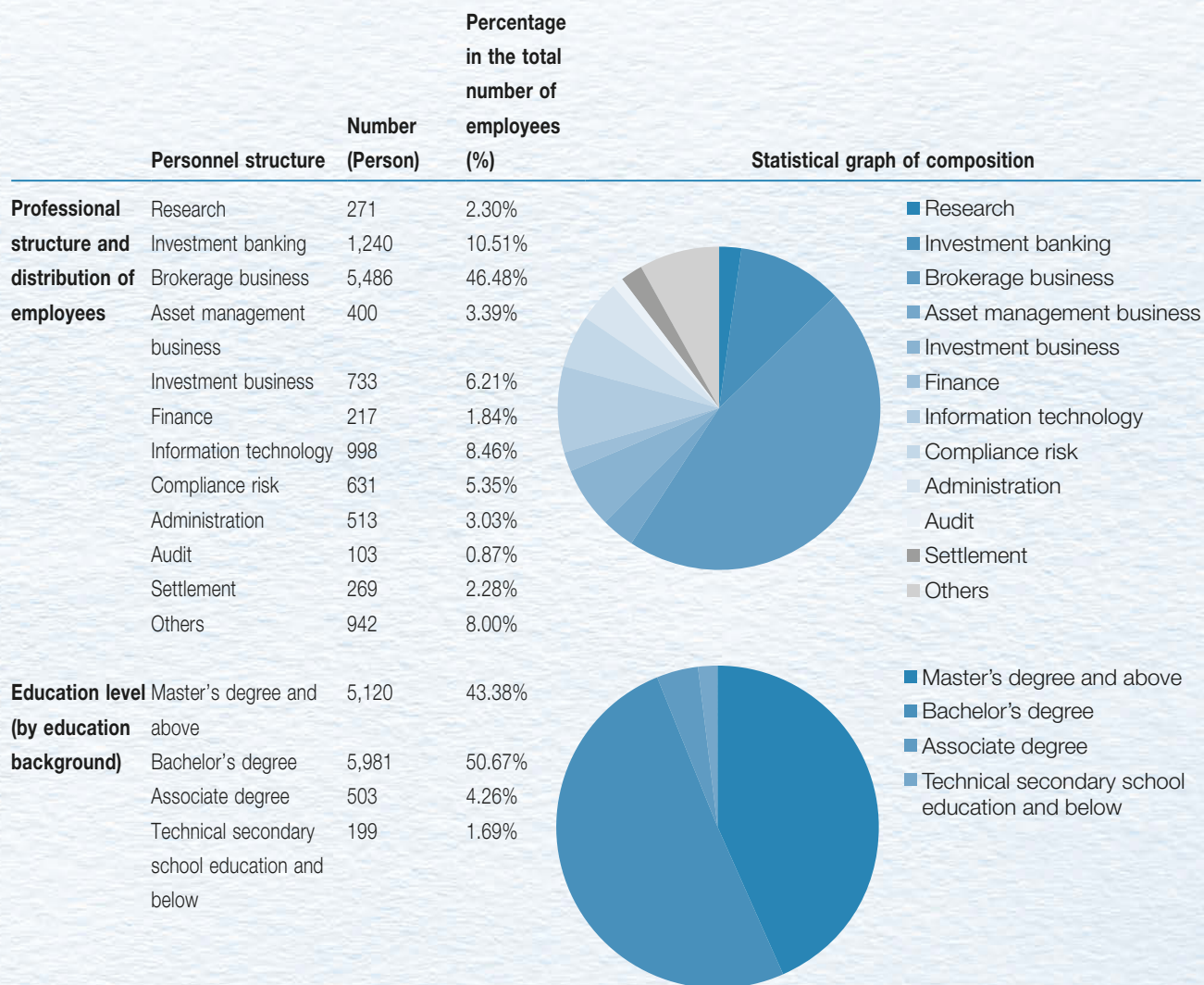
XII. SHARE PURCHASE RIGHTS OF DIRECTORS AND SUPERVISORS

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, 2023, the Group had a total of 11,803 employees (including 364 brokerage agents), of which Shenwan Hongyuan Group had 95 employees, Shenwan Hongyuan Securities and its subsidiaries had 11,091 employees (including 7,464 employees of Shenwan Hongyuan Securities and a total of 3,627 employees of the subsidiaries of Shenwan Hongyuan Securities), and other subsidiaries had a total of 617 employees.



(II) Gender of Employees

As of December 31, 2023, the proportion of male employees and female employees (including senior management) in the Company's total employees was 53.70% and 46.30%, 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 2023 training program closely focused on the strategic requirements of high-quality development, adhered to the working principle of serving the overall interests and educating according to the needs, aimed to serve the Company's strategy, empower the talent team, and support business development, continuously perfected the training system for all staff in a hierarchical manner. Firstly, adhered to political guidance and thoroughly studied and implemented the spirit of the Party's 20th National Congress. The Company carried out the "Online Class of Studying the Spirit of the Party's 20th National Congress", held collective training classes for cadres at the headquarters level, cadres at organization or labour union level, secretaries of grass-roots Party branch and cadres of the Party and communities, strengthened the study of political theory. Secondly, adhered to the talent empowerment, and constantly improve the Company's training system of "Galaxy" and "Aviation". The Company organized and carried out the "Galaxy Plan – Senior Management Training", the "Qiming Plan – Investment Line Training", the "Qiming Plan – Risk Management Line Training", the "Morning Star Plan – New Hire Training", the "Sailing Plan – Excellent Management Training Camp", the "Sailing Plan – Inside Trainer Spark Camp", the "Sailing Plan – Youth Growth Camp", the "Sailing Plan – 2023 New Hire Special Training Camp" and other trainings, built a high-quality cadre talent team. Thirdly, adhered to the overall interests of serving the Company, fulfilled the strategic mission of a state-owned financial institution to serve the country, carried out trainings of "Famous Forum – National Security Situation and Confidentiality Warning Education" and "Famous Forum – Crisis Response and Public Opinion Management", regularly arranged related subject trainings for decoding the macroeconomic situation. Fourthly, adhered to the development of service business, and constantly deepened the business training. The Company organized and carried out the "Hui Chuang Forum" special business training, the "Fortune Star Training Camp", the "Key Customer Manager Series Training", the "Financial Technology Talents' Internal Employment with Certificates" and other programmes. The Company promoted the education and training work for employees with a high sense of responsibility and urgency to prevent financial risks and serve 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 966 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, 2023, Shenwan Hongyuan Securities had a total of 95 branches (statistics based on the distribution of securities brokers in service) that implement the securities brokerage system in the PRC, with 265 securities brokers in service (including 10 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 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 non-executive directors shall express their specific opinion thereon. Before any specific cash dividend distribution plan is deliberated at a general meeting for consideration, the Company shall sufficiently listen to the comments from the minority shareholders.

Article 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 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)	0.56
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)	1,402,236,895.36
Amount of cash dividends in other ways (e.g. repurchase of shares) (RMB)	0
Total amount of cash dividends (including other ways) (RMB)	1,402,236,895.36
Distributable profit (RMB)	2,786,799,567.41
Percentage of total cash dividends (including other ways) in total amount of profit distribution	100%

Cash Dividends

The profit distribution proposal of the Company for 2023 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, 2023, a cash dividend of RMB0.56 (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 RMB1,402,236,895.36. The cash dividend will be paid to shareholders within 2 months after the 2023 annual general meeting of the Company. The retained profits of the Company of RMB1,384,562,672.05 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 average benchmark exchange rate of RMB against HKD published by the People's Bank of China five business days prior to the 2023 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 2023, Shenwan Hongyuan Group Co., Ltd. (the “Company”) realised a consolidated net profit attributable to shareholders of the parent company of RMB4,606,340,168.13. The balance of the audited undistributed profit of the parent company of the Group at the beginning of 2023 was RMB2,878,778,760.24, plus net profit realised by the parent company of the Group of RMB732,465,715.52 in 2023; after deducting the cash dividend of RMB751,198,336.80 in 2022; after deducting the statutory surplus reserve of RMB73,246,571.55 at 10% of the net profit realized in 2023 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 2023 was RMB2,786,799,567.41.

In accordance with the profit distribution policy stipulated in the Articles of Association of the Company and the disclosed shareholders’ return plan of the Company, it is proposed that the Company’s profit distribution proposal for 2023 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, 2023, a cash dividend of RMB0.56 (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 RMB1,402,236,895.36. The retained profits of the parent company of RMB1,384,562,672.05 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 average benchmark exchange rate of RMB against HKD published by the People’s Bank of China five business days prior to the 2023 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稅政策有關問題的通知》(財稅[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稅政策有關問題的通知》(財稅[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) (《國家稅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稅有關問題的通知》(國稅函[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) (《財政部國家稅務總局證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), 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 Abolishment of the Document with the Number of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), withholding and remitting obligor will withhold and remit personal income tax as per item of “interest, dividends and bonus income” for dividends and bonus income of overseas resident individual shareholders from domestic non-foreign funded enterprise by issuing shares in Hong Kong. When domestic non-foreign-funded enterprise issues shares in Hong Kong, its overseas resident individual shareholders will enjoy relevant tax preference in accordance with tax convention signed by China and the country stated in the residential identity and tax arrangement of Mainland China and Hong Kong (Macau). In general, tax rate for dividend is 10% in accordance with relevant tax convention and provisions on tax arrangement. To simplify tax collection and management, when a domestic non-foreign-funded enterprise that has issued shares in Hong Kong distributes dividends and bonus, personal income tax will be generally withheld and remitted as per the tax rate of 10% and application is not necessary. Situations in which tax rate for dividends is not 10% will be handled in accordance with the following provisions: (1) as for residents of country under the convention whose tax rate is less than 10%, withholding and remitting obligor can handle application for enjoying relevant convention treatment and excessive tax will be refunded with approval of competent taxation authority; (2) as for residents of country under the convention whose tax rate is between 10% and 20%, withholding and remitting obligor shall withhold and remit personal income tax as per actual tax rate under the convention when distributing dividends and bonus and it need not handle application and approval issues; (3) as for residents of country without tax convention and other situations, withholding and remitting obligor shall withhold and remit personal income tax at the tax rate of 20% when distributing dividends and bonus.

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

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

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

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

XVI. RESERVES AND RESERVES OF DISTRIBUTABLE PROFIT

As of December 31, 2023, the Company's distributable reserves under China Accounting Standards for Business Enterprises amounted to RMB2.787 billion. 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. In order to further consolidate the internal control process of the Company, the Company continued to strengthen the construction of the system, enhanced the implementation and supervision of the system, standardized the management and business development of the Company and ensured that the internal control covers the whole process of the Company's operation.

The Board 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 compliance 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 29, 2024
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	<p>Material defect:</p> <p>(1) Directors, supervisors and senior management have committed fraud related to financial report and have been investigated by the judicial authorities.</p> <p>(2) Misinformation may cause users to make significant wrong decisions or diametrically opposite decisions, causing significant losses.</p> <p>(3) Significant corrections to published financial reports.</p> <p>(4) Defects in internal control severely affect the authenticity, completeness and reliability of financial reports and safety of related assets.</p> <p>Major defect:</p> <p>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.</p> <p>General defect:</p> <p>Other defect other than a material defect or a major defect.</p>	<p>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.</p> <p>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.</p> <p>General defect refers to other defect other than a material defect or a major defect.</p>
Quantitative criteria	<p>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.</p> <p>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.</p> <p>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.</p>	<p>Material defect: The direct property losses amount to 5% (inclusive) or more of the Company's total profit before tax.</p> <p>Major defect: The direct property losses are between 3% (inclusive) and 5% of the Company's total profit before tax.</p> <p>General defect: The direct property losses are less than 3% of the Company's total profit before tax.</p>
	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, 2023, 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 29, 2024
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 nonfinancial report	No

XXI. ESTABLISHMENT OF DYNAMIC RISK CONTROL INDICATORS MONITORING AND REPLENISHMENT 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 taken timely measures and reported to regulatory authorities as required.

(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 replenish 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 “thinking of potential problems in times of peace, and making steady and sustainable progress”, 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 four-level 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, which comprehensively cover the Company's various business divisions, branches and domestic and overseas subsidiaries, and regulate various types of risk management. Meanwhile, Shenwan Hongyuan Securities has established a clear risk management policy of "risk appetite – risk tolerance – risk limit" by taking into account internal and external factors such as the strategic development objectives, external market environment, risk tolerance ability and shareholders' return requirements. Its risk appetite specifies the basic attitude toward risk and return and the total amount of risk it is willing to bear, and its risk tolerance and risk limit effectively cover various business types and professional risks. On this basis, Shenwan Hongyuan Securities breaks down the risk limits to subsidiaries at all levels to ensure the consistency and effectiveness of comprehensive risk management, and supervises subsidiaries to form risk limit implementation details in line with their own practices, so as to ensure that the relevant systems and policies are effectively implemented and realized.
- (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 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 2023, the Company continued to increase investment in compliance risk control and its total investment in compliance risk control throughout the year was RMB359,288,500.

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 2023, Shenwan Hongyuan Securities continued to increase investment in information technology and its total investment in information technology throughout the year amounted to RMB1,085.3448 million, representing an increase of 25.95% 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 basic compliance management systems of Shenwan Hongyuan Securities 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, Executive Committee), compliance executives/compliance director, 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, Executive Committee of the Company perform duties related to compliance management in accordance with the laws, regulations, standards, and the Articles of Association. The Board of the Company assumes responsibility for the effectiveness of compliance management, the Executive Committee 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 Executive Committee 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 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, Executive Committee, 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 enhanced the anti-money laundering work, continued to implement “risk-oriented” work concept, established and improved the anti-money laundering work system, earnestly performed the anti-money laundering obligations, continuously optimised the anti-money laundering work mechanism, continued to strengthen the application of the results of the self-assessment of the risk of institutional money laundering and terrorist financing, 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 improved 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 improved the information isolation wall work system, and formulated the administrative measures for information isolation 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 information isolation wall system.

(IV) Compliance Inspection and Audit

1. Compliance inspection

During the Reporting Period, the compliance department of the Company proactively organised and launched relevant compliance inspections or self-inspections according to the regulatory requirements and the actual situation of the Company, which mainly including special self-inspection and inspections of integrity practices; compliance inspections and self-inspections on key issues such as bond business and asset securitization business, investment advisory business of mutual fund raising funds, investor suitability, and verification of external account opening of employees of the Company; and compliance inspection on key units such as private placement subsidiaries, alternative subsidiaries, asset management subsidiaries, underwriting and sponsorship subsidiaries, futures subsidiaries, Hong Kong subsidiaries, Financial Innovation Headquarters, Securities Investment Headquarters, FICC Business Division, Fixed Income Sales and Trading Headquarters, and certain branches.

2. Audit

During the Reporting Period, the internal audit department of the Company, in accordance with the regulatory requirements and the requirements of the Party Committee of the Company on internal audit work, earnestly implemented the annual audit plan, organized and carried out economic responsibility audits, as well as external inspections and other work, and completed a total of 214 audits projects. Among them, 6 regular audits were conducted on subsidiaries of the Company, 189 economic responsibility audits were conducted on the persons-in-charge at various levels of the Company’s business divisions, headquarters, branches and subsidiaries, and 19 special or tracking audits were conducted on the Company’s business and management. In addition, Shenwan Hongyuan Securities, in conjunction with its supervisory practice, carried out special audits on 202 branches and subsidiaries to supervise key concerns and fully perform its audit supervision function.

□	Company Profile and Key Financial Indicators
□	Report of the Board
■	Corporate Governance
□	Environmental and Social Responsibility
□	Significant Events
□	Changes in Shares and Shareholders
□	Profile of Bonds
□	Financial Statements

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, laying a solid foundation for improving the Company's internal control.

The Board 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. 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 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, 2023), 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, the risk management and internal control are designed to manage rather than eliminate the risk of failure to achieve business objectives, and 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 the Company has received confirmation from the management of the Company regarding the effectiveness of the risk management and internal control system, and 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, 2023, the Company's risk management was in line with the Company's operating scale, business scope, competition status and risk level, and that the Company's risk management and internal control were effective and there were no material concerns identified in the review. During the Reporting Period, the Company did not implement any changes to its risk management and internal control system.

(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 other departments 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

Not applicable

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. During the Reporting Period, the Company amended 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 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 relevant departments of the Company are 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 2022 annual general meeting, the Company engaged PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers as the auditors of the Company for 2023 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 2023 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

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.

(V) Amendments to the Working Rules of the Relevant Committees of the Board of Directors

In order to further improve and standardize the meeting and decision-making procedures of the Audit Committee of the Board of the Company (the "Audit Committee"), and to continuously improve the work efficiency of the Audit Committee and the level of scientific decision-making, the Company amended the Working Rules of the Audit Committee of the Board during the Reporting Period. The amended Working Rules of the Audit Committee of the Board of Directors of Shenwan Hongyuan Group Co., Ltd. was considered and approved at the seventeenth meeting of the fifth session of the Board 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, 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 2023, in addition to the daily communication with public investors, the Company held and participated in 9 investor relations activities such as results presentation and research. The details are as follows:

Reception time	Reception location	Reception method	Type of reception object	Reception object	Main content discussed and information provided
January 5, 2023	–	Telephone communication	Institution	Investors invited to China Post Securities’ 2023 Strategy Conference	Operations of the Company
April 3, 2023	–	Online communication	Individual, Institution	Analysts and investors attending Shenwan Hongyuan’s 2022 Annual Results Conference	Operations of the Company
May 11, 2023	Beijing	On-site communication	Institution	Investors invited to Kaiyuan Securities’ 2023 Mid-Term Strategy Meeting	Operations of the Company
May 17, 2023	–	Telephone communication	Institution	Investors invited to TF Securities’ 2023 Interim Strategy Meeting	Operations of the Company
May 19, 2023	–	Telephone communication	Institution	Southern Fund Co. Ltd. (南方基金股份有限公司)	Operations of the Company
May 25, 2023	Company Meeting Room	On-site communication	Institution	Guotai Junan Securities Co., Ltd.	Operations of the Company
June 16, 2023	–	Online communication	Individual, Institution	Investors who participated in the 2023 online collective reception day for investors of listed companies in Xinjiang	Operations of the Company
September 4, 2023	–	Online communication	Individual, Institution	Analysts and investors attending Shenwan Hongyuan’s 2023 Interim Results Conference	Operations of the Company
November 9, 2023	Beijing	On-site communication	Institution	Investors invited to Huatai Securities’ 2024 Investment Summit	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

The Company has separately prepared and disclosed the 2023 Sustainability Report and Environmental, Social and Governance Report of Shenwan Hongyuan Group Co., Ltd. (the “Sustainability Report”, disclosed simultaneously with this annual report) to fully reflect the Company’s sustainability and ESG performance in 2023. The content of this chapter is only an overview. For details, please refer to relevant sections of the Sustainability Report.

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

As a financial enterprise, the Company’s daily operations involve major energy sources such as natural gas, fuel consumption of official vehicles and purchased electricity, and the Company’s major water consumption is domestic water used in the office operation process, and its major wastes are the food waste, toner cartridges and office paper generated from the office operation process. The Company strictly complies with the Environmental Protection Law of the People’s Republic of China, the Energy Conservation Law of the People’s Republic of China and other laws and regulations, and actively manages its energy and carbon emissions, and carries out energy saving and emission reduction measures such as regulating the management of electricity consumption, promoting paperless office, and publicizing low-carbon travel, and continues to do a good job in the management of the use of water resources and the management of wastes. For details, please refer to “ESG – Environmental Issues” and “ESG Quantitative Indicator Performance Table” in the Sustainability Report.

II. SOCIAL RESPONSIBILITY

(I) Purpose of the Corporate Social Responsibility

The Company has always adhered to the strategic vision of “Simple Finance, Fulfillment of Dreams”. With “seeking truth and innovations while pursuing integrity and sincerity in practice” as its core value, the Company adheres to the entrepreneurial spirit of “responsibility, professionalism, cooperation, openness and aggressiveness”; and with the construction of a state-owned financial enterprise with “faith and responsibility” as its goal, the Company 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 commonality of interests, causes and destiny.

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

The Company actively protected the interests of Shareholders and the legitimate rights and interests of creditors. The Company has clearly stipulated the relevant rights to which Shareholders are entitled in the Articles of Association, safeguarded shareholders’ full exercise of their legally entitled rights to distribution, information, suggestions and voting, adhered to the maximization of shareholders’ interests, and reasonably formulated the annual profit distribution plan, in an effort to reward the shareholders and the society. In addition, the Company has strictly fulfilled its debts in accordance with the contracts and covenants signed with its creditors in a manner recognized by the creditors, thus protecting the legitimate rights and interests of the creditors. In 2023, 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. For details, please refer to the “ESG – Corporate Governance Issues” section in the Sustainability Report.

(III) Protection of Employee Rights and Interests

The Company strictly complied with the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China and other relevant laws and regulations, adhered to the people-oriented principle, ensured equal employment, adhered to the strategy of diversified talent introduction, and formulated a sound system of employment, remuneration, attendance and others, practically safeguarded the legitimate rights and interests of the employees; built a dual-channel job system with both management and professionalism, established a payroll and performance management system with internal fairness and external competitiveness, formed a multi-level talent training system, and emphasized and promoted the development of employees in a comprehensive manner; the Company continued to pay attention to the aspirations of employees, deepened employee care, and devoted itself to building a warm workplace for employees, achieving a win-win situation for both employees and for the development of the enterprise. For more details, please refer to the sections “Sustainable development – People-oriented, Building a First-class Talent Team” and “ESG – Employee Appraisal and Promotion” in the Sustainability Report.

(IV) Protection of Clients’ and Consumers’ Rights and Interests

The Company actively practiced the development concept of “people-oriented”, always focused on customers and attached great importance to investor protection. The Company established the Investor Protection Committee, and set up a department dedicated to investor rights protection in accordance with the requirements, and further strengthened the leadership and arrangements for investor protection through the enhancement of mechanism construction. In practice, while providing customers with professional and personalized financial products, the Company implemented data security and customer privacy protection management, combined investor education with suitability management, customer service and complaint handling, practiced the concept of “big insurance”, and protected the legitimate rights and interests of investors. For details, please refer to the section “Sustainable Development – Strengthening Responsibility, Supporting Services to National Strategies – Strengthening Digital Finance” in the Sustainability Report.

(V) Protection of the Rights and Interests of Suppliers and Partners

The Company actively protected its intellectual property rights and practiced responsible purchasing to protect the rights and interests of its suppliers and partners. The Company strictly complied with the Trademark Law of the People’s Republic of China and Patent Law of the People’s Republic of China, formulated intellectual property rights related systems and regulations, and did a good job in protecting the intellectual property rights of itself, its customers and its third-party partner. In terms of responsible purchasing, the Company formed a standardized purchasing management procedure, a clear and transparent purchasing process, and a purchasing organization system with clear lines of authorities and responsibilities, and continued to improve the management of the purchasing process. For details, please refer to the section “ESG – Social Issues – Responsible Procurement” in the Sustainability Report.

(VI) Environmental Protection and Sustainable Development

The Company actively responded to the national call for green development and, relying on its own business characteristics and strengths, actively participated in green research, launched green investment and financing business, and promoted green and low-carbon development with professional finance; and practiced responsible investment. The Company actively promoted the effective integration of climate change management and “dual-carbon” practices with its business to deepen its carbon finance business. In addition, the Company carried out a number of management practices in relation to green and low-carbon operations and ecological support for rural revitalization, and contributed fully to environmental protection and sustainable development. For details, please refer to the sections “Sustainable Development – Fostering a Sustainable Ecosystem by Seeking Innovation from the Ground Up” and “ESG – Environmental Issues” in the Sustainability Report.

(VII) Social Welfare

Based on the original mission of financial state-owned enterprises, the Company promoted the Shanghai Shenwan Hongyuan Public Welfare Foundation, as a platform for corporate public welfare, to combine internal and external resources. The Company motivated corporate employees and all relevant parties to actively participate in social welfare undertakings. The Company continued to promote public welfare projects under the brands of “Big Hands Holding Small Hands (大手牽小手)”, “Shenwan Hongyuan Classes (申萬宏源班)”, “Poverty Prevention Comprehensive Insurance (防返貧綜合險)” and “Love Matching – Helping the Needy (愛心結對·幫難扶困)”, innovatively promoted projects such as “Nutritious Breakfast for High School Students (高中生營養早餐)” and “Rural Culture Revitalization (鄉村文化振興)”, and collaborated in the launch of public welfare actions such as “Shenyin Wanguo Hope Primary School (申銀萬國希望小學)” charity subsidy, donation of books by CIC’s Livelihood Protection Group, and the Huining Warm Winter Action, making continuous efforts in rural revitalization, financial charities and staff welfare. During the Reporting Period, all subsidiaries and branches of the Company actively launched public welfare and charitable actions, and contributed to the building of a better society by combining the Company’s advantageous resources and the actual needs of the local communities throughout China around various themes of people’s livelihoods, such as “Elderly and Youth (一老一小)”, financial charities, and community welfare. For more details, please refer to the section “ESG – Social Issues – Community Communication and Support” in the Sustainability Report.

III. CONSOLIDATING AND EXPANDING THE ACHIEVEMENTS IN POVERTY ALLEVIATION AND RURAL REVITALIZATION

As a state-owned financial enterprise with “faith and commitment”, the Company has thoroughly implemented the decisions and deployments made by the Party Central Committee, the State Council and the Party Committee of CIC on poverty alleviation and rural revitalization, set up an organizational structure consisting of a leading group, a working group and a helping office, and formulated the Administrative Measures for Shenwan Hongyuan’s Targeted Helping Work (申萬宏源定點幫扶掛職管理辦法), the Management Measures for Shenwan Hongyuan’s Targeted Helping Funds and Projects (申萬宏源定點幫扶資金和項目管理辦法), and the Management Measures for Shenwan Hongyuan’s Consumption Helping Work (申萬宏源消費幫扶管理辦法) and others, so as to ensure the effective implementation of consolidating the achievements in poverty alleviation and rural revitalization.

Based on the “1+2+3+4+N” model of rural revitalization, in 2023, the Company continued to focus on consolidating and expanding the achievements of poverty alleviation and promoting the comprehensive rural revitalization. The Company assisted the rural revitalization in Huining County of Gansu Province and Makgaiti County of Xinjiang Province in all aspects, with the focus on industry, finance, education and consumer assistance, contributing to the realization of a better life for the people and the development of Chinese-style modernization. During the Reporting Period, the Company invested a total of RMB43.4610 million in targeted assistance and disaster-stricken areas, of which RMB36.2 million was invested in Huining area of Gansu Province, RMB5.7 million was invested in Xinjiang, and RMB1.560 million was invested in other areas; a total of 11 bonds were issued to serve the rural revitalization, with a total size of RMB27.550 billion.

In 2023, in the area of rural revitalization, the Company was awarded the “China Rural Revitalization Development Conference – Excellent Cases of National Rural Revitalization (中國鄉村振興發展大會 – 全國鄉村振興優秀案例)”, “Xinhua Net – Excellent Cases of National Rural Revitalization in 2023 (新華網 – 2023全國鄉村振興優秀案例)”, “Capital Market Charity Alliance – Advanced Group of Rural revitalization in 2023 (2023年資本市場公益聯盟 – 鄉村振興先進集體)”, “China Social Welfare Foundation – Most Social Responsibility Award in 2023 (中國社會福利基金會 – 2023年最具社會責任獎)”, “The 13th Public Welfare Festival – Annual Rural revitalization in 2023 (第十三屆公益節 – 2023年度鄉村振興貢獻獎)”, “China Women’s Development Fund – Contribution Unit on Women’s Public Welfare in 2023 (中國婦女發展基金會-2023年度女性公益貢獻單位)” and many other awards, which demonstrated the wide recognition of practice of helping rural revitalization. For more details, please refer to the section “Sustainable Development – Seeking Innovation from the Ground Up, Cultivating a Sustainable Ecology and Contributing to Rural Revitalization” in the Sustainability Report.

Section VI Significant Events

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

1. Commitments 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	Commencement		Performance
			date of commitment	Expiry date of commitment	
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

Section VI Significant Events (continued)

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

Cause of commitment	Name of undertaking party	Details of commitment	Commencement		Performance
			date of commitment	Expiry date of commitment	
Initial public offering	China Jiayin Investment Ltd.	<p>Letter of Commitment on Reduction and Regulation of Related Party Transactions</p> <p>The company, China Jiayin 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</p>	2015-01-26	During the tenure of controlling shareholder	Ongoing performance

Section VI Significant Events (continued)

Cause of commitment	Name of undertaking party	Details of commitment	Commencement		Performance
			date of commitment	Expiry date of commitment	
		<p>that it will attend the shareholders' meetings, exercise corresponding rights equally, assume corresponding obligations, that it will not use the status of controlling shareholder to obtain improper benefits, and that it guarantees not to harm the legal interests of other shareholders (especially minority shareholders) 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.</p> <p>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.</p>			

Cause of commitment	Name of undertaking party	Details of commitment	Commencement		Performance
			date of commitment	Expiry date of commitment	
Initial public offering	Central Huijin Investment Ltd.	<p>Letter of Commitment on Avoiding Horizontal Competition</p> <p>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-</p>	2015-01-26	During the tenure of actual controller	Ongoing performance

Section VI Significant Events (continued)

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

Cause of commitment	Name of undertaking party	Details of commitment	Commencement		Performance
			date of commitment	Expiry date of commitment	
Initial public offering	China Jianyin Investment Ltd.	<p>Letter of Commitment on Separation of Business, Asset, Personnel, Finance and Organization</p> <p>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 financial 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</p>	2015-01-26	During the tenure of controlling shareholder	Ongoing performance

Section VI Significant Events (continued)

Cause of commitment	Name of undertaking party	Details of commitment	Commencement		Performance
			date of commitment	Expiry date of commitment	
		<p>the surviving company is independent. The surviving company has established a sound internal operation and management organization, 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</p> <p>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.</p>			

Cause of commitment	Name of undertaking party	Details of commitment	Commencement		Performance
			date of commitment	Expiry date of commitment	
Initial public offering	Central Huijin Investment Ltd.	<p>Letter of Commitment on Separation of Business, Asset, Personnel, Finance and Organization</p> <p>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</p>	2015-01-26	During the tenure of actual controller	Ongoing performance

Cause of commitment	Name of undertaking party	Details of commitment	Commencement		Performance
			date of commitment	Expiry date of commitment	
		the issuer is independent. The issuer has established a sound internal operation and management organization, 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 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.			

- 2. Commitments accomplished by the actual controller, shareholders, related parties, acquirers and the Company and other related parties during the Reporting Period**
N/A

- (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

On November 30, 2022, the Ministry of Finance issued the Notice on Printing and Distributing the Interpretation No.16 of Accounting Standards for Business Enterprises (Cai Kuai [2022] No. 31) (hereinafter referred to as “ASBE Interpretation No.16”), which stipulates that “deferred income tax related to assets and liabilities arising from single transaction shall not be applicable to the exemption of accounting treatment on initial recognition”, with effective from January 1, 2023. During the Reporting Period, the Company made corresponding changes according to the above accounting interpretation, and the remaining unchanged parts were still implemented in accordance with the Accounting Standards for Business Enterprises – Basic Standards, the application guidelines for specific accounting standards, Accounting Standards for Business Enterprises, the interpretation announcement of Accounting Standards for Business Enterprises previously issued by the Ministry of Finance and other relevant provisions. (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 31, 2023 and the website of HKEXnews of Hong Kong Stock Exchange at www.hkexnews.hk on August 30, 2023).

During the Reporting Period, the Company had no changes in 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

Except for the structured entities newly included in the scope of consolidation as set out in Note VI. 2 and Note VI. 5 to the financial statements in Section IX Financial Statements, there was no significant change in the scope of consolidation of the Company.

VIII. APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS

On March 30, 2023, the Resolution Regarding the Re-appointment of Auditors of the Company for 2023 was considered and approved at the 17th 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 2023 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 2023 with an audit fee, including the fee for internal control, for 2023 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 2022, 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 the Company. During the audit of 2022 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.

On March 15, 2023, the Audit Committee of the Board of Directors convened the third meeting of 2023, at which it was considered and approved to re-appoint PricewaterhouseCoopers Zhong Tian and PricewaterhouseCoopers as the auditors of the Company for 2023 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 it was approved to re-appoint PricewaterhouseCoopers Zhong Tian as the Company’s internal audit control institution for 2023 with an audit fee, including the fee for internal control, for 2023 amounting to RMB5.98 million, and submitted the re-appointment to the Board of Directors of the Company for consideration.

On June 20, 2023, the abovementioned re-appointment of auditors of the Company for 2023 was considered and approved at the 2022 annual general meeting of the Company.

During the Reporting Period, the Company paid PricewaterhouseCoopers Zhong Tian LLP a total of RMB5.06 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 three consecutive years. Mr. Shan Feng, the signing certified public accountant, provided audit services for the Company for three years. Ms. Wei Jiliang has served as the signing certified public accountant for one year, and has provided audit services for the Company for three 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.

During the Reporting Period, in order to streamline and regulate the management hierarchy of subsidiaries of the Company, Hongyuan Huifu, a subsidiary of the Company, completed the liquidation and cancellation of Beijing Hongtong Investment Management Co., Ltd., which has no material impact on the Company's operation and business.

(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 Asset Management Co., Ltd. obtained the Securities and Futures Business License and commenced operation on October 9, 2023.
- (2) During the Reporting Period, Tongxiang Shenyin Wanguo Golden Phoenix Investment Management Co., Ltd. (桐鄉市申銀萬國金鳳凰投資管理有限公司), a controlling subsidiary of Shenyin & Wanguo Investment Co., Ltd., completed the liquidation and deregistration on April 25, 2023.

2. 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. Luoyang Branch, Shenwan Hongyuan Securities Co., Ltd. Wuhan Guanggu Branch and Shenwan Hongyuan Securities Co., Ltd. Mianyang Branch. Shenwan Hongyuan Securities Asset Management Co., Ltd., a wholly-owned controlling subsidiary of Shenwan Hongyuan Securities, established Shenwan Hongyuan Securities Asset Management Co., Ltd. Beijing Branch.
- (2) During the Reporting Period, Shenwan Hongyuan Securities opened 4 new securities branches, namely Xinchang West Road Securities Branch in Jingdezhen of Shenwan Hongyuan Securities Co., Ltd., Wuluo Road Securities Branch in Wuhan of Shenwan Hongyuan Securities Co., Ltd., Yuanhe East Road Securities Branch in Yichun of Shenwan Hongyuan Securities Co., Ltd. and Chongde Road Securities Branch in Jinjiang of Shenwan Hongyuan Securities Co., Ltd. The establishment of 5 securities branches, including 1 in Ma'anshan City, Anhui Province, 1 in Jinjiang City, Fujian Province, 1 in Hengyang City, Hunan Province, 1 in Cixi City, Zhejiang Province and 1 in Tongzhou, Beijing, are newly approved, of which the establishment of Chongde Road Securities Branch in Jinjiang was completed and commenced operation.
- (3) During the Reporting Period, Shenwan Hongyuan Securities closed down 3 securities branches, namely: Hohhot Ruyihe Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd., Hangzhou Xixi Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd. and Taizhou Shifu Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd. Taiyuan South Street Securities Branch in Shenyang 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. Organisation of the Company” in “Section VI Significant Events” in this annual report.)

XI. MATERIAL LITIGATION AND ARBITRATION

(I) Overview

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 during the Reporting Period

There was no additional litigations and arbitrations of significance of the Company and its subsidiaries during the Reporting Period.

(III) Progress of litigations of the Company and its subsidiaries (excluding Shenwan Hongyuan Securities) during the Reporting Period

The case of dispute over the warehousing contract raised by Hongyuan Hengli (Shanghai) Industrial Co., Ltd. (宏源恒利(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). 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 employees of Foshan Zhongjin Shengyuan were suspected of criminal crime, the aluminum ingot involved was currently sealed up by the public security organization as relevant personnel were suspected of contract fraud, and the Shanghai Hongkou District People’s Court ruled to dismiss according to law.

(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 margin financing and securities lending transaction raised by the company against Zhang Liuyang

In June 2020, Shenwan Hongyuan Securities Co., Ltd. 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 RMB85.4008 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 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. 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.

2. 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, Shenwan Hongyuan Securities Co., Ltd. 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. Thereafter, the company applied to the court for enforcement. In March 2023, the court issued the enforcement order. Since there were no other property available for enforcement, the enforcement procedure was terminated, and the case was closed.

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

(1) In March 2017, Shenwan Hongyuan Securities Co., Ltd. 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 October 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 High People's Court, which allowed the company to withdraw the lawsuit against the defendant Chen Seqin, and rejected the appeal request of Ke Zonggui. Thereafter, the company applied to the court for compulsory enforcement. In March 2023, the collaterals were auctioned off. In December 2023, the company received the final enforcement order. Since there was no other property available for enforcement, the enforcement procedure was terminated, and the case was closed.

- (2) In March 2017, Shenwan Hongyuan Securities Co., Ltd. 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 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. 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 High People's Court, which allowed the company to withdraw the lawsuit against the defendant Chen Seqin, and rejected the appeal request of Ke Zonggui. Thereafter, the company applied to the court for compulsory enforcement. In March 2023, the collaterals were auctioned off. In December 2023, the company received the final enforcement order. Since there were no other property available for enforcement, the enforcement procedure was terminated, and the case was closed.
- (3) In July 2017, Shenwan Hongyuan Securities Co., Ltd. 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, Ke Zonggui was financed by the company with an amount of RMB90 million, Chen Seqin, as the spouse of Ke Zonggui, shall bear 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. Thereafter, Chen Seqin applied to the Shanghai High People's Court for a retrial. In April 2023, the company received a ruling from the Shanghai High People's Court, ordering the Shanghai Financial Court to have a retrial and suspend the execution of the original judgment during the retrial. In July 2023, the company received a ruling from the Shanghai Financial Court to revoke the original judgment of the first and second instance and return it to the People's Court of Xuhui District of Shanghai for retrial.

As of now, the case has not yet been decided in the retrial proceedings.

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

- (1) In July 2017, Shenwan Hongyuan Securities Co., Ltd. and Ke Zongqing 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 Zongqing was financed by the company with an amount of RMB65 million and Tan Aiwu, as the spouse of Ke Zongqing, shall assume joint and several liability. During the performance of the agreements, Ke Zongqing repaid part of the principal. Subsequently, Ke Zongqing failed to complete the repurchase in accordance with the agreements, 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. Both parties reached mediation through the organization of the court. Pursuant to the paper of civil mediation, Ke Zongqing shall pay RMB36.9642 million as well as the relevant interests and liquidated damages to the company before October 28, 2020 and Tan Aiwu shall assume joint and several liability. Ke Zongqing failed to perform the repayment obligations in accordance with the mediation paper, and the company has applied to the court for enforcement. In April 2023, the court issued a ruling terminating the enforcement of the case, and the case was closed.
- (2) In April 2018, Shenwan Hongyuan Securities Co., Ltd. and Ke Zongqing 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 Zongqing was financed by the company with an amount of RMB69.90 million and Tan Aiwu, as the spouse of Ke Zongqing, shall assume joint and several liability. During the performance of the agreements, Ke Zongqing repaid part of the principal. Subsequently, Ke Zongqing failed to complete the repurchase in accordance with the agreements, 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. Both parties reached mediation through the organization of the court. Pursuant to the paper of civil mediation, Ke Zongqing shall pay RMB43.23 million as well as the relevant interests and liquidated damages to the company before October 28, 2020 and Tan Aiwu shall assume joint and several liability. Ke Zongqing failed to perform the repayment obligations in accordance with the mediation paper, and the company has applied to the court for enforcement. In April 2023, the court issued a ruling terminating the enforcement of the case, and the case was closed.

- (3) In April 2018, Shenwan Hongyuan Securities Co., Ltd. and Ke Zongqing 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 Zongqing was financed by the company with an amount of RMB25.10 million and Tan Aiwu, as the spouse of Ke Zongqing, shall assume joint and several liability. During the performance of the agreements, Ke Zongqing repaid part of the principal. Subsequently, as the performance guarantee ratio fell below the close-out level, Ke Zongqing failed to repurchase the principal and interests in accordance with the agreements, 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. Both parties reached mediation through the organization of the court. Pursuant to the paper of civil mediation, Ke Zongqing shall pay RMB14.99 million as well as the relevant interests and liquidated damages to the company before October 28, 2020 and Tan Aiwu shall assume joint and several liability. Ke Zongqing failed to perform the repayment obligations in accordance with the mediation paper, and the company has applied to the court for enforcement. In April 2023, the court issued a ruling terminating the enforcement of the case, and the case was closed.

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

In 2018, Shenwan Hongyuan Securities Co., Ltd. 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 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. Subsequently, 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. In November 2023, the First Intermediate People's Court of Beijing ruled to confirm the completion of enforcement of the reorganization plan of the substantial merger and reorganization case of seven companies including CITIC Guoan Group Corporation, and terminate the reorganization process, and the case was closed.

6. 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, Shenwan Hongyuan Securities Co., Ltd. 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 ratio, Guoan Investment failed to fulfill relevant obligations according to agreements, and CITIC Guoan 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. Subsequently, 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. In January 2023, the court ruled to accept the reorganization plan. In November 2023, the First Intermediate People’s Court of Beijing ruled to confirm the completion of enforcement of the reorganization plan of the substantial merger and reorganization case of seven companies including CITIC Guoan Group Corporation, and terminate the reorganization process, and the case was closed.

7. The case of the dispute over pledged securities repurchase raised by the company against Weng Wuyou, Lin Yongfei and Weng Yayun

In June 2016 and February 2018, Shenwan Hongyuan Securities Co., Ltd. and Weng Wuyou entered into the Business Agreement on Pledged Securities Repurchase of the Shares and the Agreement on Pledged Securities Repurchase of the Shares, respectively, pursuant to which Weng Wuyou was financed by the company with an aggregate amount of RMB99 million, and Lin Yongfei shall bear joint and several liability with “Modern Avenue” held by Lin Yongfei as the subject of the pledge, which was confirmed by Weng Yayun, Lin Yongfei’s spouse. In December 2018, Weng Wuyou failed to pay the corresponding interests as stipulated in the contract, 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 March 2021, the Shanghai Financial Court made a first-instance judgment in favour of the company’s claim. In August 2021, the Shanghai Financial Court accepted the company’s application for enforcement. In March 2023, the Shanghai Financial Court issued a ruling that there was no property in the name of the executed party available for enforcement and ruled that the current enforcement should be terminated in accordance with the law, the case was closed.

8. The case of the dispute over the breach of the Bond Pledged Repurchase Agreement by the company against TruValue Asset Management Co., Ltd.

In October 2018, Shenyin Wanguo Tiantianzeng No. 1 Collective Asset Management Plan managed by Shenwan Hongyuan Securities Co., Ltd. and the TruValue Linshui Rongfu No. 2 Asset Management Plan (the “Linshui Rongfu No. 2”) managed by TruValue Asset Management Co., Ltd. (the “Respondent” or “TruValue”) carried out bond pledged repurchase business. The transaction amount was RMB70 million, and the pledged bonds were 100,000 lots of “17 Guogou 01”. In January 2019, TruValue and the Linshui Rongfu No. 2 under its management failed to fulfill the repayment obligations of the investment finance party on the agreed maturity date, which constituted a breach of contract. After repeated reminders, the respondent has not yet fulfilled the repayment obligations. In order to protect the legitimate rights and interests of the company and the principal, the company initiated arbitration with the Shenzhen International Arbitration Court. In July 2021, the company received a verdict that Linshui Rongfu No. 2 shall fulfill its repayment obligations by repaying the principal and interest of RMB71,093,900 in aggregate, as well as related interest and penalties. In July 2023, the company received a ruling issued by the court. After conducting a property investigation to the greatest extent possible, it was found that the Linshui Rongfu No. 2 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.

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

In March 2017, Shenwan Hongyuan Securities Co., Ltd. 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 June 2021, the Shanghai Financial Court accepted the case. In November 2022, the Shanghai Financial Court made a first-instance judgment in favour of the company’s main claims. Subsequently, Zou Yong and Li Yali appealed to the Shanghai High People’s Court against the first instance judgment. In August 2023, the company received a civil ruling from the Shanghai High People’s Court, which allowed Zou Yong and Li Yali to withdraw their appeal, and the first instance judgment shall become legally effective from the date of service of the ruling. Thereafter, the company applied to the court for compulsory enforcement. As of now, this case is under enforcement.

10. 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 Shenwan Hongyuan Securities Co., Ltd. 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 Shenwan Hongyuan Securities Co., Ltd. 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. In January 2024, the company received the ruling paper, and did not need to assume any legal liabilities, and the case was closed.

11. 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. In September 2022, the Shanghai Financial Court 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, but other claims were not supported by the court. The company applied to the court for compulsory enforcement. In July 2023, the pledged shares were judicial sold. In January 2024, as it was found that the party subject to enforcement had no other property available for enforcement, the court ruled to terminate the enforcement in accordance with the law, and the case was closed.

□	Company Profile and Key Financial Indicators
□	Report of the Board
□	Corporate Governance
□	Environmental and Social Responsibility
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12. The case of the dispute over trust loan default raised by Shenyin & Wanguo Alternative Investment Co., Ltd. (申銀萬國創新證券投資有限公司) against Zhongke Construction and Development Corporation (中科建設開發總公司) and others

In 2016, Shenyin & Wanguo Alternative Investment Co., Ltd. (“Shenyin & Wanguo Alternative Investment” entered into a trust contract with China Everbright Xinglong Trust Co., Ltd. (“Everbright Trust”), pursuant to which, Shenyin & Wanguo Alternative Investment agreed to deliver to Everbright Trust the trust capital in the aggregated amount of RMB300 million, Everbright Trust shall grant trust loan to Zhongke Construction and Development Corporation (“Zhongke Construction”), and Zhongke Longxuan Engineering Project Management (Hai’an) Co., Ltd. (中科龍軒工程項目管理海安有限公司) shall provide guarantee for the pledge. Zhongke Construction later failed to pay the relevant interest after being notified repeatedly, constituting an event of default. Subsequently, Everbright Trust and Shenyin & Wanguo Alternative Investment agreed to terminate the trust contract, and Everbright Trust assigned to Shenyin & Wanguo Alternative Investment all of its rights under the creditor’s right and guarantee right. In September 2018, Shenyin & Wanguo Alternative Investment filed a civil complaint to the Gansu High People’s Court requesting the judgment that Zhongke Construction shall repay Shenyin & Wanguo Alternative Investment a loan principal of RMB300 million and the accrued interest, the penalty interest and the attorney fee, and Zhongke Longxuan shall be jointly liable for the aforesaid petition. In November 2020, Shenyin & Wanguo Alternative Investment received the first instance ruling of the case, and the court ruled to reject its prosecution. Later, Shenyin & Wanguo Alternative Investment appealed the ruling. In August 2021, Shenyin & Wanguo Alternative Investment received the ruling from the Supreme Court that the first instance ruling be revoked and the court of first instance shall perform retrial. In September 2023, the Gansu High People’s Court made a first-instance. Subsequently, Shenyin & Wanguo Alternative Investment appealed to the High People’s Court against the first instance judgment. As of now, the case didn’t receive the second instance judgment.

13. 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, on the grounds that five intermediaries including Shenwan Hongyuan Financing Services Co., Ltd., a subsidiary of Shenwan Hongyuan Securities Co., Ltd., failed to perform their obligations in due diligence, and that the disclosure documents of the bonds produced and issued by them contained false records and misleading statements, requiring five intermediaries including Shenwan Hongyuan Financing Services Co., Ltd., 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. In September 2022, Shenwan Hongyuan Financing Services Co., Ltd. received the notice of responde to action. In February 2023, Shenwan Hongyuan Financing Services Co., Ltd. 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 Co., Ltd. was justified. As of now, the judgment in this case has come into effect.

14. 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 Co., Ltd., a subsidiary of Shenwan Hongyuan Securities Co., Ltd., 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 Co., Ltd. received the notice of response to action. In December 2022, Shenwan Hongyuan Financing Services Co., Ltd. received a civil ruling, which rejected the lawsuit of Soochow Fund Management Co., Ltd. as the jurisdiction objection raised by Shenwan Hongyuan Financing Services Co., Ltd. was tenable. Soochow Fund refused to accept the ruling and appealed to the High People's Court of Shenyang City, Liaoning Province. In September 2023, Shenwan Hongyuan Financing Services Co., Ltd. received the second instance ruling which rejected the appeal of Soochow Fund.

XII. PENALTIES AND RECTIFICATIONS

During the Reporting Period, the Company was not filed for investigation in accordance with laws due to any suspected crimes, and the controlling shareholder, actual controller, directors, supervisors and senior management of the Company were not subject to compulsory measures in accordance with laws due to any suspected crimes. The Company or the controlling shareholder, actual controller, directors, supervisors and senior management of the Company were not subject to criminal penalties, or were investigated by the CSRC or were subject to administrative penalties by the CSRC for suspected violations of laws and regulations, or were subject to major administrative penalties by other competent authorities. The controlling shareholder, actual controller, directors, supervisors and senior management of the Company were not subject to retention measures taken by the discipline inspection and supervision organs due to suspected serious violations of disciplines or laws or duty crimes that affect their performance of their duties. The directors, supervisors and senior management of the Company were not subject to compulsory measures taken by other competent authorities due to suspected violations of laws and regulations that affect their performance of their duties.

During the Reporting Period, the Company or the controlling shareholder and actual controller of the Company were not subject to administrative supervision measures taken by the CSRC or disciplinary sanctions taken by the stock exchanges.

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.

During the Reporting Period, 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, 2023, 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 HKEXnews website of Hong Kong Stock Exchange (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, 2023

For the year ended December 31, 2023, the annual caps and actual transaction amounts of the Securities and Financial Products and Transactions are set out below:

Securities and Financial Products and Transactions	Unit: thousand Currency: RMB	
	For the year ended December 31, 2023	
	Annual cap	Actual transaction amount
In ⁽¹⁾	35,385,100	5,454,957
Out ⁽²⁾	38,315,100	662,334

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, 2023

For the year ended December 31, 2023, the annual caps and actual transaction amounts of the Securities and Financial Services are set out below:

	Unit: thousand Currency: RMB	
	Annual cap	Actual transaction amount
The Group's revenue generated from providing the Securities and Financial Services to JIC and/or its associates	223,360	21,277

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 usual and ordinary course of business of the Group;
- (2) The above continuing connected transactions were entered into on normal commercial terms or better; and
- (3) The above continuing connected transactions were entered into in accordance with the Framework Agreement, the terms of which were fair and reasonable and in the interests of the shareholders of the Company as a whole.

Confirmation of independent auditor

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

- (1) Nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board of Directors;
- (2) For transactions involving the provision of products and services by the Company, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Company;
- (3) Nothing has come to their attention that causes them to believe that such transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (4) With respect to the aggregate amount of the continuing connected transactions, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the annual cap set out by the Company.

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

The Company had no unconsolidated guarantees during the Reporting Period. The cumulative and current guarantees of the Company are as follows:

(Currency: RMB)

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)		0		Total actual amount of external guarantees during the Reporting Period (A2)						0
Total amount of external guarantees approved at the end of the Reporting Period (A3)		0		Total balance of actual external guarantees at the end of the Reporting Period (A4)						0

Section VI Significant Events (continued)

Guarantees of the Company in favour of subsidiaries

Name of guaranteed party	Date of disclosure of announcement in relation to		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
	the amount of guarantee	Amount of guarantee								
Hongyuan Hengli (Shanghai) Industrial Co., Ltd.	2023-5-30	RMB100,000,000	2023-5-30	RMB100,000,000	Joint and several liability guarantee	Nil	Nil	1 year	No	No
Hongyuan Hengli (Shanghai) Industrial Co., Ltd.	2023-5-30	RMB100,000,000	2023-5-30	RMB100,000,000	Joint and several liability guarantee	Nil	Nil	1 year	No	No
Hongyuan Hengli (Shanghai) Industrial Co., Ltd.	2023-5-30	RMB100,000,000	2023-5-30	RMB100,000,000	Joint and several liability guarantee	Nil	Nil	1 year	No	No
Hongyuan Hengli (Shanghai) Industrial Co., Ltd.	2023-5-30	RMB100,000,000	2023-5-30	RMB100,000,000	Joint and several liability guarantee	Nil	Nil	1 year	No	No
Hongyuan Hengli (Shanghai) Industrial Co., Ltd.	2023-5-30	RMB100,000,000	2023-5-30	RMB100,000,000	Joint and several liability guarantee	Nil	Nil	1 year	No	No
Hongyuan Hengli (Shanghai) Industrial Co., Ltd.	2023-5-30	RMB100,000,000	2023-5-30	RMB100,000,000	Joint and several liability guarantee	Nil	Nil	1 year	No	No
Hongyuan Hengli (Shanghai) Industrial Co., Ltd.	2023-5-30	RMB100,000,000	2023-5-30	RMB100,000,000	Joint and several liability guarantee	Nil	Nil	1 year	No	No
Hongyuan Hengli (Shanghai) Industrial Co., Ltd.	2023-5-30	RMB80,000,000	2023-5-30	RMB80,000,000	Joint and several liability guarantee	Nil	Nil	1 year	No	No
Total amount of guarantees in favour of subsidiaries approved during the Reporting Period (B1)		RMB780,000,000		Total amount of actual guarantees in favour of subsidiaries during the Reporting Period (B2)		RMB780,000,000				
Total amount of guarantees in favour of subsidiaries approved as at the end of the Reporting Period (B3)		RMB780,000,000		Total balance of actual guarantees in favour of subsidiaries as at the end of the Reporting Period (B4)		RMB598,407,100				

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
Total amount of guarantees in favour of subsidiaries approved during the Reporting Period (C1)		0		Total amount of actual guarantees in favour of subsidiaries during the Reporting Period (C2)						0
Total amount of guarantees in favour of subsidiaries approved as at the end of the Reporting Period (C3)			RMB6,152,210,300	Total balance of actual guarantees in favour of subsidiaries as at the end of the Reporting Period (C4)						RMB6,152,210,300
			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)				Total amount of actual guarantees during the Reporting Period (A2+B2+C2)						RMB780,000,000
Total amount of guarantees approved as at the end of the Reporting Period (A3+B3+C3)			RMB6,932,210,300	Total balance of actual guarantees as at the end of the Reporting Period (A4+B4+C4)						RMB6,750,617,400
Total actual guarantees (i.e. A4+B4+C4) as a percentage of net assets of the Company										6.74%
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

During the Reporting Period, Shenwan Hongyuan (H.K.) Limited, an overseas subsidiary of the Company, 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\$30 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\$2.76 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\$1.72 billion in equivalent. As of the end of the Reporting Period, the actual balance of guarantee withdrawn amounted to HK\$0 in equivalent.

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.

During the Reporting Period, the Company entered into a guarantee contract with China Construction Bank Corporation Shanghai Second Sub-branch, Ping An Bank Co., Ltd. Shanghai Branch, Industrial Bank Co., Ltd. Shanghai Yangpu Sub-branch, China Minsheng Bank Co., Ltd. Shanghai Branch, Bank of Shanghai Co., Ltd. Luwan Sub-branch, China CITIC Bank Corporation Limited Shanghai Branch, Bank of Jiangsu Co., Ltd. Shanghai Branch, and China Merchants Bank Co., Ltd. Shanghai Branch, respectively, for the comprehensive credit granting business of Hongyuan Hengli, with the maximum principal amount of creditors' right totaling RMB780 million. (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 May 31, 2023 and on the HKExnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) on May 30, 2023.)

As of the end of the Reporting Period, the total guarantees of the Company amounted to RMB6,750,617,400, accounting for 6.74% 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.

(III) Entrusting others to conduct cash asset management

1. Entrusted wealth management

N/A

2. Entrusted loans

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 Jiayin 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 Jiayin 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 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 HKEXnews website of Hong Kong Stock Exchange (www.hkexnews.hk) on December 6 and December 30, 2021.

XVI. CHANGES IN THE QUALIFICATIONS FOR INDIVIDUAL BUSINESSES OF THE COMPANY IN 2023

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	Proprietary participation in carbon emission trading
Shanghai Stock Exchange	Qualification for bond market making business Qualification of main market maker of Techtronic 50 ETF Options
Shenzhen Stock Exchange	Qualification for bond market making business
Beijing Stock Exchange	Qualification of first batch of securities margin trading business on the Beijing Stock Exchange
Zhengzhou Commodity Exchange	Qualification for stock market making and trading business Qualification of main market maker of rapeseed meal futures Qualification of main market maker of paraxylene options Qualification of main market maker of caustic soda options Qualification of main market maker of ferrosilicon options
Dalian Commodity Exchange	Qualification of market maker of styrene options Qualification of market maker of polyvinyl chloride options Qualification of market maker of soybean meal options
Shanghai Futures Exchange	Qualification of market maker of copper options Qualification of market maker of fuel oil futures Qualification of market maker of aluminum oxide futures
Shanghai International Energy Exchange	Qualification of market maker of container index (Europe line) futures
Guangzhou Futures Exchange	Qualification of market maker of lithium carbonate options
China Central Depository & Clearing Co., Ltd.	Qualification of direct-investment to corporate bond in 2023

XVII. AGENCY SALES OF FINANCIAL PRODUCTS DURING THE REPORTING PERIOD

Unit: Yuan Currency: RMB

Financial products under agency sales	2023		2022	
	Total sales amount	Total sales income	Total sales amount	Total sales income
Funds	22,831,676,391.65	78,592,265.18	43,190,807,615.46	106,698,539.91
Wealth management products of banks	-	-	-	-
Other financial products	15,655,672,581.91	115,616,308.85	889,219,220.31	168,865,866.98
Total	38,487,348,973.56	194,208,574.03	44,080,026,835.77	275,564,406.89

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.

(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' 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' 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' 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 [2023] No. 239), the issuer was permitted to issue subordinated corporate bonds with an aggregate face value of no more than RMB15 billion to professional investors. On March 6, 2023, the company issued the first tranche of subordinated bonds under the approval, named Subordinated Bonds (First Tranche) Publicly Issued by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023, with an issuance size of RMB2.7 billion and a maturity of 2 years (Type I) and 3 years (Type II), respectively; on March 27, 2023, the company issued the second tranche of subordinated bonds under the approval, named Subordinated Bonds (Second Tranche) Publicly Issued by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023, with an issuance size of RMB2.3 billion and a maturity of 3 years; and on December 8, 2023, the company issued the third tranche of subordinated bonds under the approval, named Subordinated Bonds (Third Tranche) Publicly Issued by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023, with an issuance size of RMB1.6 billion and a maturity of 5 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 June 8, 2023, the company issued the third tranche of perpetual subordinated bonds under the approval, named Perpetual Subordinated Bonds (First Tranche) Publicly Issued by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023, with an issuance size of RMB1.8 billion and a maturity of 5+N years; on July 12, 2023, the company issued the fourth tranche of perpetual subordinated bonds under the approval, named Perpetual Subordinated Bonds (Second Tranche) Publicly Issued by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023, with an issuance size of RMB1.8 billion and a maturity of 5+N years; on October 23, 2023, the company issued the fifth tranche of perpetual subordinated bonds under the approval, named Perpetual Subordinated Bonds (Third Tranche) Publicly Issued by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023, with an issuance size of RMB1.5 billion and a maturity of 5+N years; and on November 10, 2023, the company issued the sixth tranche of perpetual subordinated bonds under the approval, named Perpetual Subordinated Bonds (Fourth Tranche) Publicly Issued by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023, with an issuance size of RMB1.8 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	2023.01.30	CSRC	Letter of No Objection Regarding the Proprietary Participation in Carbon Emissions Trading by Shenwan Hongyuan Securities Co., Ltd.	Institution Department Letter [2023] No. 99
2	2023.02.02	CSRC	Approval for Registration of Short-term Corporate Bonds Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors	Zheng Jian Xu Ke [2023] No. 236
3	2023.02.02	CSRC	Approval for Registration of Subordinated Corporate Bonds Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors	Zheng Jian Xu Ke [2023] No. 239

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 2022

The profit distribution plan of the Company for 2022 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, 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.

For A shareholders, the Company completed the implementation of the 2022 profit distribution plan on August 11, 2023 with August 10, 2023 as the equity registration date and August 11, 2023 as the ex-dividend date. (For details, please refer to the Announcement on Implementation of the 2022 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 5, 2023).

For H shareholders, the Company distributed cash dividend for 2022 of RMB0.30 (tax inclusive) per 10 Shares to the shareholders whose names appear on the register of members of the Company on July 3, 2023. The 2022 cash dividend was distributed on August 11, 2023. The 2022 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. RMB0.91228 = HK\$1.00) published by the People's Bank of China for the five working days before June 20, 2023 (being the date of the annual general meeting). Accordingly, the cash dividend per 10 H Shares was HK\$0.32885 (tax inclusive). (For details, please refer to the Poll Results of the 2022 Annual General Meeting and Payment of Cash Dividend disclosed by the Company on the website of HKExnews (www.hkexnews.hk) on June 20, 2023).

XXII. INDEX OF IMPORTANT INFORMATION DISCLOSED DURING THE REPORTING PERIOD

In 2023, 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	Announcement on Progress of the Litigation Involving a Subsidiary	2023-01-18
2	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.	2023-01-18
3	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.	2023-01-18
4	Announcement on Repayment of Principal and Payment of Interest and Delisting of Corporate Bonds (First Tranche) (Type II) Issued in a Non-public Way by Shenwan Hongyuan Securities Co., Ltd. in 2020	2023-01-18
5	2022 Annual Results Forecast of Shenwan Hongyuan Group Co., Ltd.	2023-01-20
6	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.	2023-02-01
7	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.	2023-02-01
8	Announcement on Progress of the Litigation Involving a Subsidiary	2023-02-01
9	Announcement on Proprietary Participation in Carbon Emissions Trading of Shenwan Hongyuan Securities Co., Ltd. Obtaining No-objection Letter from the CSRC	2023-02-04
10	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.	2023-02-09
11	Announcement on Progress of the Litigation Involving a Subsidiary	2023-02-09
12	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.	2023-02-09
13	Announcement on the Completion of Payment of the 2022 Second Tranche Short-term Financing Bonds of Shenwan Hongyuan Securities Co., Ltd.	2023-02-18
14	Announcement on the Approval of the CSRC for the Registration of Short-term Corporate Bonds and Subordinated Bonds Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors	2023-02-18
15	Announcement on Repayment of Principal and Payment of Interest and Delisting of Corporate Bonds (Second Tranche) (Type II) Issued in a Non-public Way by Shenwan Hongyuan Securities Co., Ltd. in 2020	2023-02-23
16	Announcement on Payment of Interests for 2023 for the Corporate Bonds (First Tranche) (Type I) Issued Publicly to Professional Investors in 2022	2023-03-06
17	Announcement on Payment of Interests for 2023 for the Corporate Bonds (First Tranche) (Type I) Issued Publicly to Professional Investors in 2021	2023-03-06
18	Announcement on Payment of Interests for 2023 for the Corporate Bonds (First Tranche) (Type II) Issued Publicly to Professional Investors in 2022	2023-03-06

Section VI Significant Events (continued)

No.	Announcement	Date of publication
19	Announcement on Payment of Interests for 2023 for the Corporate Bonds (First Tranche) (Type II) Issued Publicly to Professional Investors in 2021	2023-03-06
20	Announcement on the Results of Public Issuance of Subordinated Corporate Bonds (First Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023	2023-03-08
21	Announcement on the Listing of the Subordinated Corporate Bonds (First Tranche) Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 on the Shenzhen Stock Exchange	2023-03-14
22	Announcement on Convening 2022 Annual Results Presentation	2023-03-28
23	Announcement on the Results of Public Issuance of Subordinated Corporate Bonds (Second Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023	2023-03-29
24	Announcement on the Completion of Payment of the 2022 Third Tranche Short-term Financing Bonds of Shenwan Hongyuan Securities Co., Ltd.	2023-03-30
25	2022 Auditors' Report	2023-03-31
26	2022 Social Responsibility Report	2023-03-31
27	Announcement on Resolutions of the Board of Directors	2023-03-31
28	Announcement on Re-appointment of Accounting Firms	2023-03-31
29	2022 Work Report of the Board of Supervisors of Shenwan Hongyuan Group Co., Ltd.	2023-03-31
30	Annual Special Audit Report on the Appropriation of Funds by Related Parties	2023-03-31
31	Independent Opinions of Independent Directors on External Guarantees and Other Matters	2023-03-31
32	2022 Work Report of the Board of Directors of Shenwan Hongyuan Group Co., Ltd.	2023-03-31
33	Annual Work Report of Independent Directors	2023-03-31
34	Self-Assessment Report on Internal Control	2023-03-31
35	Working Rules of the Audit Committee of the Board of Directors of Shenwan Hongyuan Group Co., Ltd. (Revised)	2023-03-31
36	Announcement on Resolutions of the Board of Supervisors	2023-03-31
37	Management System for Registration of Insiders of Shenwan Hongyuan Group Co., Ltd. (Revised)	2023-03-31
38	Internal Control Audit Report	2023-03-31
39	Plan of Granting Authorization by the General Meeting to the Board of Directors of Shenwan Hongyuan Group Co., Ltd. (Revised)	2023-03-31
40	2022 Annual Report	2023-03-31
41	Announcement on Estimated Daily Related Party Transactions for 2023	2023-03-31
42	Summary of 2022 Annual Report	2023-03-31
43	Announcement on the Listing of the Subordinated Corporate Bonds (Second Tranche) Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 on the Shenzhen Stock Exchange	2023-04-01
44	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.	2023-04-03
45	Announcement on Progress of the Litigation Involving a Subsidiary	2023-04-03
46	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.	2023-04-03
47	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.	2023-04-06
48	Announcement on Progress of the Litigation Involving a Subsidiary	2023-04-06

No.	Announcement	Date of publication
49	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.	2023-04-06
50	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.	2023-04-13
51	Announcement on Progress of the Litigation Involving a Subsidiary	2023-04-13
52	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.	2023-04-13
53	2023 First Quarter Performance Express of Shenwan Hongyuan Group Co., Ltd.	2023-04-15
54	Announcement on the Results of Public Issuance of Corporate Bonds (First Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023	2023-04-18
55	Announcement on the Listing of Corporate Bonds (First Tranche) Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 on the Shenzhen Stock Exchange	2023-04-22
56	Announcement on Payment of Interests for 2023 for the Corporate Bonds (Second Tranche) (Type II) Issued Publicly to Professional Investors in 2022	2023-04-24
57	Announcement on Payment of Interests for 2023 for the Corporate Bonds (Second Tranche) (Type I) Issued Publicly to Professional Investors in 2022	2023-04-24
58	Announcement on Repayment of Principal and Payment of Interest and Delisting of 2020 Subordinated Bonds of Securities Company (First Tranche) (Type II) of Shenwan Hongyuan Securities Co., Ltd.	2023-04-26
59	2023 First Quarterly Report	2023-04-29
60	Ongoing Credit Rating Report on the Public Issuance of Corporate Bonds by Shenwan Hongyuan Group Co., Ltd. in 2023	2023-05-30
61	Ongoing Credit Rating Report on Shenwan Hongyuan Group Co., Ltd. and the Bonds (18 ShenHong 01 and 18 ShenHong 02) Issued Publicly by It	2023-05-30
62	Announcement on Repayment of Principal and Payment of Interest and Delisting of 2020 Subordinated Bonds of Securities Company (Second Tranche) of Shenwan Hongyuan Securities Co., Ltd.	2023-05-30
63	2022 Annual General Meeting Materials	2023-05-31
64	Announcement on Convening the 2022 Annual General Meeting	2023-05-31
65	Announcement on Progress of Providing Guarantee for a Wholly-owned Subsidiary	2023-05-31
66	Announcement on 2023 Public Issuance of Corporate Bonds (First Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors	2023-06-08
67	Offering Memorandum of 2023 Public Issuance of Corporate Bonds (First Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors	2023-06-08
68	Offering Memorandum Summary of 2023 Public Issuance of Corporate Bonds (First Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors	2023-06-08
69	Announcement of Shenwan Hongyuan Group Co., Ltd. on Change of Name for the Publicly Issued Corporate Bonds	2023-06-08
70	Credit Rating Report on the Corporate Bonds (First Tranche) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2023	2023-06-08
71	Announcement on Participation in the Online Collective Reception Day for Investors of Listed Companies in Xinjiang in 2023	2023-06-10
72	Announcement on the Results of Public Issuance of Perpetual Subordinated Bonds (First Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023	2023-06-10

Company Profile and Key Financial Indicators

Report of the Board

Corporate Governance

Environmental and Social Responsibility

Significant Events

Changes in Shares and Shareholders

Profile of Bonds

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Section VI Significant Events (continued)

No.	Announcement	Date of publication
73	Announcement on the Coupon Rate of the Corporate Bonds (First Tranche) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2023	2023-06-12
74	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 2023	2023-06-12
75	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 2023	2023-06-12
76	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 2023	2023-06-12
77	Announcement on the Results of Public Issuance of Corporate Bonds (First Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2023	2023-06-14
78	Announcement on the Listing of Perpetual Subordinated Bonds (First Tranche) Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 on the Shenzhen Stock Exchange	2023-06-16
79	Announcement on the Completion of Payment of the 2022 Fifth Tranche Short-term Financing Bonds of Shenwan Hongyuan Securities Co., Ltd.	2023-06-17
80	Announcement on the Listing of Corporate Bonds (First Tranche) Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2023 on the Shenzhen Stock Exchange	2023-06-20
81	Legal Opinion on the 2022 Annual General Meeting of Shenwan Hongyuan Group Co., Ltd.	2023-06-21
82	Announcement on Resolutions of the 2022 Annual General Meeting of Shenwan Hongyuan Group Co., Ltd.	2023-06-21
83	Entrusted Management Report on the Public Issuance of Corporate Bonds (First Tranche) by Shenwan Hongyuan Group Co., Ltd. to Qualified Investors in 2018 (2022)	2023-06-30
84	Entrusted Management Report on the Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. (2022)	2023-06-30
85	Announcement on Repayment of Principal and Payment of Interest for 2023 and Delisting of Corporate Bonds (First Tranche) (Type II) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2018	2023-07-13
86	Announcement on Payment of Interests for 2023 for the Corporate Bonds (Second Tranche) (Type II) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2021	2023-07-13
87	Announcement on Repayment of Principal and Payment of Interest for 2023 and Delisting of Corporate Bonds (First Tranche) (Type I) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2018	2023-07-13
88	Announcement on the Results of Public Issuance of Perpetual Subordinated Bonds (Second Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023	2023-07-14
89	Announcement on the Listing of Perpetual Subordinated Bonds (Second Tranche) Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 on the Shenzhen Stock Exchange	2023-07-20
90	Announcement on Repayment of Principal and Payment of Interest and Delisting of Corporate Bonds (First Tranche) (Type II) Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2020	2023-07-29
91	Announcement on Payment of Interests for 2023 for the Corporate Bonds (Third Tranche) (Type I) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2021	2023-08-02
92	Announcement on Payment of Interests for 2023 for the Corporate Bonds (Third Tranche) (Type II) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2021	2023-08-02

No.	Announcement	Date of publication
93	Announcement on Implementation of Profit Distribution for A Shares by the Company in 2022	2023-08-05
94	Announcement on the Results of Public Issuance of Corporate Bonds (Second Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023	2023-08-19
95	Announcement on Payment of Interests for 2023 for the Corporate Bonds (Third Tranche) (Type II) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2023-08-28
96	Credit Rating Report on the Corporate Bonds (Second Tranche) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2023	2023-08-29
97	Offering Memorandum Summary of 2023 Public Issuance of Corporate Bonds (Second Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors	2023-08-29
98	Announcement on Public Issuance of Corporate Bonds (Second Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2023	2023-08-29
99	Announcement of Shenwan Hongyuan Group Co., Ltd. on Change of Name for the Publicly Issued Corporate Bonds	2023-08-29
100	Offering Memorandum of 2023 Public Issuance of Corporate Bonds (Second Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors	2023-08-29
101	Announcement on the Listing of Corporate Bonds (Second Tranche) Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 on the Shenzhen Stock Exchange	2023-08-29
102	Announcement on the Change in General Manager of Shenwan Hongyuan Securities Co., Ltd.	2023-08-30
103	Announcement on Convening 2023 Interim Results Presentation	2023-08-30
104	Special Explanations and Independent Opinions of Independent Directors on the Appropriation of Capital of the Company by the Controlling Shareholder and Other Related Parties and External Guarantees of the Company	2023-08-31
105	Summary of 2023 Interim Report	2023-08-31
106	Interim Financial Report for 2023	2023-08-31
107	2023 Interim Report	2023-08-31
108	Summary of Non-Operating Funds and Other Related Funds Transactions for the Half-Year	2023-08-31
109	Announcement on the Change in Accounting Policies	2023-08-31
110	Announcement on the Coupon Rate of the Corporate Bonds (Second Tranche) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2023	2023-09-01
111	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 2023	2023-09-01
112	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 2023	2023-09-01
113	Announcement on the Results of Public Issuance of Corporate Bonds (Third Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023	2023-09-02
114	Announcement on the Results of Public Issuance of Corporate Bonds (Second Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2023	2023-09-05
115	Announcement on the Listing of Corporate Bonds (Third Tranche) Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 on the Shenzhen Stock Exchange	2023-09-07
116	Announcement on the Listing of Corporate Bonds (Second Tranche) Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2023 on the Shenzhen Stock Exchange	2023-09-11
117	Announcement on Repayment of Principal and Payment of Interest and Delisting of Corporate Bonds (Eighth Tranche) (Type I) Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2021	2023-09-23

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No.	Announcement	Date of publication
118	Announcement on the Results of Public Issuance of Corporate Bonds (Fourth Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023	2023-09-23
119	Announcement on Obtaining the Securities and Futures Business License by the Asset Management Subsidiary of Shenwan Hongyuan Securities	2023-10-09
120	Announcement on the Listing of Corporate Bonds (Fourth Tranche) Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 on the Shenzhen Stock Exchange	2023-10-09
121	Announcement on the Results of Public Issuance of Perpetual Subordinated Bonds (Third Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023	2023-10-25
122	Announcement on the Listing of Perpetual Subordinated Bonds (Third Tranche) Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 on the Shenzhen Stock Exchange	2023-10-28
123	Announcement on Repayment of Principal and Payment of Interest and Delisting of Corporate Bonds (Third Tranche) (Type II) Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2020	2023-10-28
124	2023 Third Quarterly Report	2023-10-31
125	Announcement on the Results of Public Issuance of Perpetual Subordinated Bonds (Fourth Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023	2023-11-15
126	Announcement on the Listing of Perpetual Subordinated Bonds (Fourth Tranche) Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 on the Shenzhen Stock Exchange	2023-11-22
127	Announcement on the Results of Public Issuance of Short-term Corporate Bonds (First Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023	2023-11-24
128	Announcement on the Listing of Short-term Corporate Bonds (First Tranche) Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 on the Shenzhen Stock Exchange	2023-11-29
129	Announcement on the Results of Public Issuance of Subordinated Corporate Bonds (Third Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023	2023-12-12
130	Announcement on Repayment of Principal and Payment of Interest and Delisting of Corporate Bonds (First Tranche) (Type I) Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Qualified Investors in 2018	2023-12-13
131	Announcement on the Listing of Subordinated Corporate Bonds (Third Tranche) Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 on the Shenzhen Stock Exchange	2023-12-15
132	Announcement on Resolutions of the Twenty First Meeting of the Fifth Session of the Board of Directors	2023-12-16
133	Independent Opinions of Independent Directors	2023-12-16
134	Announcement on the Results of Public Issuance of Short-term Corporate Bonds (Second Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023	2023-12-19
135	Announcement on the Listing of Short-term Corporate Bonds (Second Tranche) Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 on the Shenzhen Stock Exchange	2023-12-23
136	Announcement on Repayment of Principal and Payment of Interest and Delisting of Subordinated Bonds (Third Tranche) (Type I) Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2021	2023-12-30

The information on H Shares disclosed by the Company on the website of HKEXnews of the Hong Kong Stock Exchange at www.hkexnews.hk during the Reporting Period (excluding overseas regulatory announcements) is as follows:

No.	Announcements	Date of publication
1	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended December 31, 2022	2023-01-04
2	2022 Annual Results Forecast	2023-01-19
3	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended January 31, 2023	2023-02-01
4	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended February 28, 2023	2023-03-01
5	Date of Board Meeting	2023-03-15
6	Annual Results Announcement for the Year Ended December 31, 2022	2023-03-30
7	Final Dividends for the Year Ended December 31, 2022	2023-03-30
8	2022 Social Responsibility Report/Environmental, Social and Governance Report	2023-03-30
9	Working Rules of the Audit Committee of the Board of Directors	2023-03-30
10	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended March 31, 2023	2023-04-06
11	2023 First Quarter Performance Express of Shenwan Hongyuan Group Co., Ltd.	2023-04-14
12	2022 Annual Report	2023-04-17
13	Date of Board Meeting	2023-04-18
14	2023 First Quarterly Report	2023-04-28
15	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended April 30, 2023	2023-05-04
16	Final Dividends for the Year Ended December 31, 2022 (Updated)	2023-05-30
17	Circular of the 2022 Annual General Meeting	2023-05-30
18	Form of Proxy of Holders of H Shares for Use at the Annual General Meeting Held on June 20, 2023	2023-05-30
19	Notice of the 2022 Annual General Meeting	2023-05-30
20	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended May 31, 2023	2023-06-01
21	Final Dividends for the Year Ended December 31, 2022 (Updated)	2023-06-20
22	Poll Results of the 2022 Annual General Meeting and Payment of Cash Dividends	2023-06-20
23	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended June 30, 2023	2023-07-03
24	2022 Corporate Annual Report	2023-07-12
25	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended July 31, 2023	2023-08-01
26	Date of Board Meeting	2023-08-18
27	Interim Results Announcement for the Six Months Ended June 30, 2023	2023-08-30
28	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended August 31, 2023	2023-09-04
29	2023 Interim Report	2023-09-18
30	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended September 30, 2023	2023-10-06
31	Date of Board Meeting	2023-10-16
32	2023 Third Quarterly Report	2023-10-30
33	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended October 31, 2023	2023-11-01
34	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended November 30, 2023	2023-12-04

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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

Currency: RMB Unit: ten thousand Yuan

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
Short-term Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (First Tranche) (Type I)	23 ShenZheng D1	148514	2023/11/22	2023/11/22	2024/6/22	400,000.00	2.63%		
Short-term Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (First Tranche) (Type II)	23 ShenZheng D2	148515	2023/11/22	2023/11/22	2024/11/22	300,000.00	2.69%	The principal and interest will be repaid upon maturity	Shenzhen Stock Exchange
Short-term Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Second Tranche) (Type I)	23 ShenZheng D3	148546	2023/12/15	2023/12/15	2024/5/15	200,000.00	2.79%		
Short-term Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Second Tranche) (Type II)	23 ShenZheng D4	148547	2023/12/15	2023/12/15	2024/10/15	300,000.00	2.80%		
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%	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 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%		
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%		

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 (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 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%		
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%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (First Tranche) (Type I)	23 ShenZheng 01	148247	2023/4/14	2023/4/14	2025/4/14	80,000.00	2.85%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (First Tranche) (Type II)	23 ShenZheng 02	148248	2023/4/14	2023/4/14	2026/4/14	200,000.00	2.99%		

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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 2023 (Second Tranche) (Type I)	23 ShenZheng 03	148429	2023/8/17	2023/8/17	2025/8/17	220,000.00	2.50%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Second Tranche) (Type II)	23 ShenZheng 04	148430	2023/8/17	2023/8/17	2026/8/17	180,000.00	2.67%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Third Tranche) (Type I)	23 ShenZheng 05	148444	2023/8/30	2023/8/30	2025/8/30	50,000.00	2.56%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Third Tranche) (Type II)	23 ShenZheng 06	148445	2023/8/30	2023/8/30	2028/8/30	150,000.00	2.95%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Fourth Tranche) (Type I)	23 ShenZheng 07	148467	2023/9/21	2023/9/21	2025/9/21	280,000.00	2.80%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Fourth Tranche) (Type II)	23 ShenZheng 08	148468	2023/9/21	2023/9/21	2028/9/21	210,000.00	3.14%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2024 (First Tranche) (Type I)	24 ShenZheng 01	148606	2024/2/26	2024/2/26	2027/2/26	100,000.00	2.52%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2024 (First Tranche) (Type II)	24 ShenZheng 02	148607	2024/2/26	2024/2/26	2029/2/26	150,000.00	2.66%		
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%		

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
Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Third Tranche)	23 ShenZheng C4	148540	2023/12/8	2023/12/8	2028/12/8	160,000.00	3.35%		
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%		

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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 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%		
Perpetual Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (First Tranche)	23 ShenZheng Y1	148310	2023/6/8	2023/6/8	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	180,000.00	3.44%		

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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 2023 (Second Tranche)	23 ShenZheng Y2	148370	2023/7/12	2023/7/12	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	180,000.00	3.44%		
Perpetual Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Third Tranche)	23 ShenZheng Y3	148481	2023/10/23	2023/10/23	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	150,000.00	3.60%		

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 2023 (Fourth Tranche)	23 ShenZheng Y4	148500	2023/11/10	2023/11/10	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	180,000.00	3.50%		
Investor eligibility arrangement	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 15, 22 ShenZheng 01, 22 ShenZheng 02, 22 ShenZheng 03, 22 ShenZheng 05, 22 ShenZheng 06 were issued to professional investors. 22 ShenZheng 07, 22 ShenZheng 08, 23 ShenZheng 01, 23 ShenZheng 02, 23 ShenZheng 03, 23 ShenZheng 04, 23 ShenZheng 05, 23 ShenZheng 06, 23 ShenZheng 07, 23 ShenZheng 08, 23 ShenZheng D1, 23 ShenZheng D2, 23 ShenZheng D3, 23 ShenZheng D4, 21 ShenZheng C4, 22 ShenZheng C1, 23 ShenZheng C1, 23 ShenZheng C2, 23 ShenZheng C3, 23 ShenZheng C4, 21 ShenZheng Y1, 21 ShenZheng Y2, 21 ShenZheng Y3, 22 ShenZheng Y1, 22 ShenZheng Y2, 23 ShenZheng Y1, 23 ShenZheng Y2, 23 ShenZheng Y3, 23 ShenZheng Y4, 24 ShenZheng 01, 24 ShenZheng 02 were issued to professional institutional investors.								
Applicable trading mechanism	The bonds were traded by five transaction methods including matching, 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

The Company issued 21 ShenZheng Y1, 21 ShenZheng Y2 and 21 ShenZheng Y3 with redemption option, issuer's redemption option upon fulfillment of certain conditions and deferred interest payment terms. The relevant options were not triggered during the Reporting Period, and the interest for the current period of 21 ShenZheng Y1, 21 ShenZheng Y2 and 21 ShenZheng Y3 was paid in full and on time.

The Company issued 22 ShenZheng Y1, 22 ShenZheng Y2, 23 ShenZheng Y1, 23 ShenZheng Y2, 23 ShenZheng Y3, 23 ShenZheng Y4 with issuer's renew option, issuer's redemption option upon fulfillment of certain conditions, and deferred interest payment terms. The relevant options were not triggered during the Reporting Period, the interest for the current period of 22 ShenZheng Y1 and 22 ShenZheng Y2 was paid in full and on time, while the interest payment dates for 23 ShenZheng Y1, 23 ShenZheng Y2, 23 ShenZheng Y3 and 23 ShenZheng Y4 have not yet arrived.

The Company issued 17 ShenZheng 02, 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 15, 22 ShenZheng 01, 22 ShenZheng 02, 22 ShenZheng 03, 22 ShenZheng 05, 22 ShenZheng 06, 22 ShenZheng 07, 22 ShenZheng 08, 23 ShenZheng 01, 23 ShenZheng 02, 23 ShenZheng 03, 23 ShenZheng 04, 23 ShenZheng 05, 23 ShenZheng 06, 23 ShenZheng 07, 23 ShenZheng 08, 21 ShenZheng C1, 21 ShenZheng C2, 21 ShenZheng C4, 22 ShenZheng C1 with accelerated settlement clauses, and there was no triggering of the enforcement of the clauses of the insurance policies during the Reporting Period.

3. Information of intermediaries

Name of bond	Bond trustee			Credit rating agency(ies)		Signing accountants	
	Name	Office address	Contact person of intermediary	Telephone	Name		Office address
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	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 12							
21 ShenZheng 13							
21 ShenZheng 15							
22 ShenZheng 01							
22 ShenZheng 02							
22 ShenZheng 03							
22 ShenZheng 05							
22 ShenZheng 06							
21 ShenZheng C4							
21 ShenZheng Y1	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
21 ShenZheng Y2							
21 ShenZheng Y3							

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

Section VI Significant Events (continued)

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

Name of bond	Name	Bond trustee			Credit rating agency(ies)		Signing accountants
		Office address	Contact person of intermediary	Telephone	Name	Office address	
22 ShenZheng 07							KPMG Huazhen: Jin Naiwen, Yu Jingjing, Liu Yejun Pricewaterhouse Coopers Zhong Tian: Yip Siu Foon, Linda, Shan Feng
22 ShenZheng 08							
22 ShenZheng C1							
22 ShenZheng Y1							
22 ShenZheng Y2							
23 ShenZheng C1							KPMG Huazhen: Jin Naiwen, Yu Jingjing Pricewaterhouse Coopers Zhong Tian: Yip Siu Foon, Linda, Shan Feng
23 ShenZheng C2							
23 ShenZheng C3							
23 ShenZheng 01							
23 ShenZheng 02							
23 ShenZheng 03		33/F, Bohua				10/F, PICC	
23 ShenZheng 04	Guotai Junan	Plaza, No. 669				China Lianhe	
23 ShenZheng 05	Securities Co.,	Xinzha Road,	Luo Jing, Gao	021-38677930	China Lianhe	Building, No.2	
23 ShenZheng 06	Ltd.	Jing'an District,	Xuefeng		Credit Rating Co.	Jianguomenwai	
23 ShenZheng 07		Shanghai			Ltd.	Avenue, Chaoyang	
23 ShenZheng 08						District, Beijing	
23 ShenZheng C4							
23 ShenZheng Y1							
23 ShenZheng Y2							
23 ShenZheng Y3							
23 ShenZheng Y4							
23 ShenZheng D1							
23 ShenZheng D2							
23 ShenZheng D3							
23 ShenZheng D4							
24 Shenzheng 01							
24 Shenzheng 02							

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

4. Use of proceeds

Currency: RMB Unit: Yuan

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 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
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 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
23 ShenZheng 01	800,000,000	800,000,000	0.00	Standard operation	Nil	Yes
23 ShenZheng 02	2,000,000,000	2,000,000,000	0.00	Standard operation	Nil	Yes
23 ShenZheng 03	2,200,000,000	2,200,000,000	0.00	Standard operation	Nil	Yes
23 ShenZheng 04	1,800,000,000	1,800,000,000	0.00	Standard operation	Nil	Yes
23 ShenZheng 05	500,000,000	500,000,000	0.00	Standard operation	Nil	Yes
23 ShenZheng 06	1,500,000,000	1,500,000,000	0.00	Standard operation	Nil	Yes
23 ShenZheng 07	2,800,000,000	2,800,000,000	0.00	Standard operation	Nil	Yes
23 ShenZheng 08	2,100,000,000	2,100,000,000	0.00	Standard operation	Nil	Yes
23 ShenZheng D1	4,000,000,000	4,000,000,000	0.00	Standard operation	Nil	Yes
23 ShenZheng D2	3,000,000,000	3,000,000,000	0.00	Standard operation	Nil	Yes
23 ShenZheng D3	2,000,000,000	2,000,000,000	0.00	Standard operation	Nil	Yes
23 ShenZheng D4	3,000,000,000	3,000,000,000	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	1,400,000,000	0.00	Standard operation	Nil	Yes
23 ShenZheng C2	1,300,000,000	1,300,000,000	0.00	Standard operation	Nil	Yes
23 ShenZheng C3	2,300,000,000	2,300,000,000	0.00	Standard operation	Nil	Yes

Section VI Significant Events (continued)

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
23 ShenZheng C4	1,600,000,000	1,600,000,000	0.00	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
23 ShenZheng Y1	1,800,000,000	1,800,000,000	0.00	Standard operation	Nil	Yes
23 ShenZheng Y2	1,800,000,000	1,800,000,000	0.00	Standard operation	Nil	Yes
23 ShenZheng Y3	1,500,000,000	1,500,000,000	0.00	Standard operation	Nil	Yes
23 ShenZheng Y4	1,800,000,000	1,800,000,000	0.00	Standard operation	Nil	Yes
24 ShenZheng 01	1,000,000,000	1,000,000,000	0.00	Standard operation	Nil	Yes
24 ShenZheng 02	1,500,000,000	1,500,000,000	0.00	Standard operation	Nil	Yes

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

Applicable Not applicable

5. Adjustments to credit rating results during the Reporting Period

Applicable 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, nonfinancial 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 January 2023, Nanchang County Chenghu North Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd. was issued a warning letter by the Jiangxi Supervision Bureau of the CSRC (the “Jiangxi CSRC”)

In January 2023, the Jiangxi CSRC issued the Decisions on Warning Letter to Nanchang County Chenghu North Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd., with the main contents as follows: a broker of the sales department was involved in irregularities in the operation of a client’s securities account during his tenure at the branch. The above behavior reflected the lack of compliance management of brokers by the branch.

In response to the above issues, the securities branch has strengthened compliance training and internal control management, and improved the compliance awareness of all staff. The company has organized education on typical cases, and conducted compliance inspections of branches under its jurisdiction, supervised the implementation of rectification, and strengthened the application of assessment and enhanced job responsibilities. Shenwan Hongyuan Securities continued to strengthen the construction of compliance culture, and enhanced the supervision and management of the practice of practitioners, to avoid the occurrence of similar incidents.

2. In July 2023, Jilin Branch of Shenwan Hongyuan Securities Co., Ltd. was issued a warning letter by the Jilin Supervision Bureau of the CSRC (the “Jilin CSRC”)

In July 2023, the Jilin CSRC issued a Decisions on Warning Letter to Shenwan Hongyuan Securities Co., Ltd., with the main contents as follows: Firstly, the individual cell phone numbers of the branch’s employees were not included in the Company’s employee behavior monitoring system. Secondly, the staff of the information technology position of the branch has been working concurrently as the over-the-counter business preparatory position, engaging in customer account opening and double-record review work. Thirdly, the counter service seal of the branch was used and kept by one person at the counter position. Fourthly, the information system of the branch was constructed in type B, and no video surveillance was conducted in some of the on-site client trading areas. Fifthly, the files of securities brokers in the branch did not contain information on follow-up training, practice activities, client complaints and handling, and performance evaluation; and there was an error in the disclosure of the “agency period” of securities brokers. Sixthly, the investment advisors of the branch failed to record in writing or in the form of electronic files the time, content, method and basis of providing investment advice to certain clients. Seventhly, the branch did not adequately manage the investor suitability of certain clients.

In response to the above issues, the Jilin Branch has included all employees’ mobile phone numbers in its monitoring, and required them to make regular update and report, and has further improved the mechanisms for staff preparation, seal storage, broker management, and investment business filing. The Jilin Branch has submitted timely rectification reports in accordance with the requirements of the Jilin CSRC. Meanwhile, the Jilin Branch will continue to strengthen its internal control and basic management, and enhance compliance promotion and compliance assessment to avoid recurrence of similar incidents.

3. In November 2023, Shihezi North 4th Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd. was issued a warning letter by the Xinjiang Supervision Bureau of the CSRC (the “Xinjiang CSRC”)

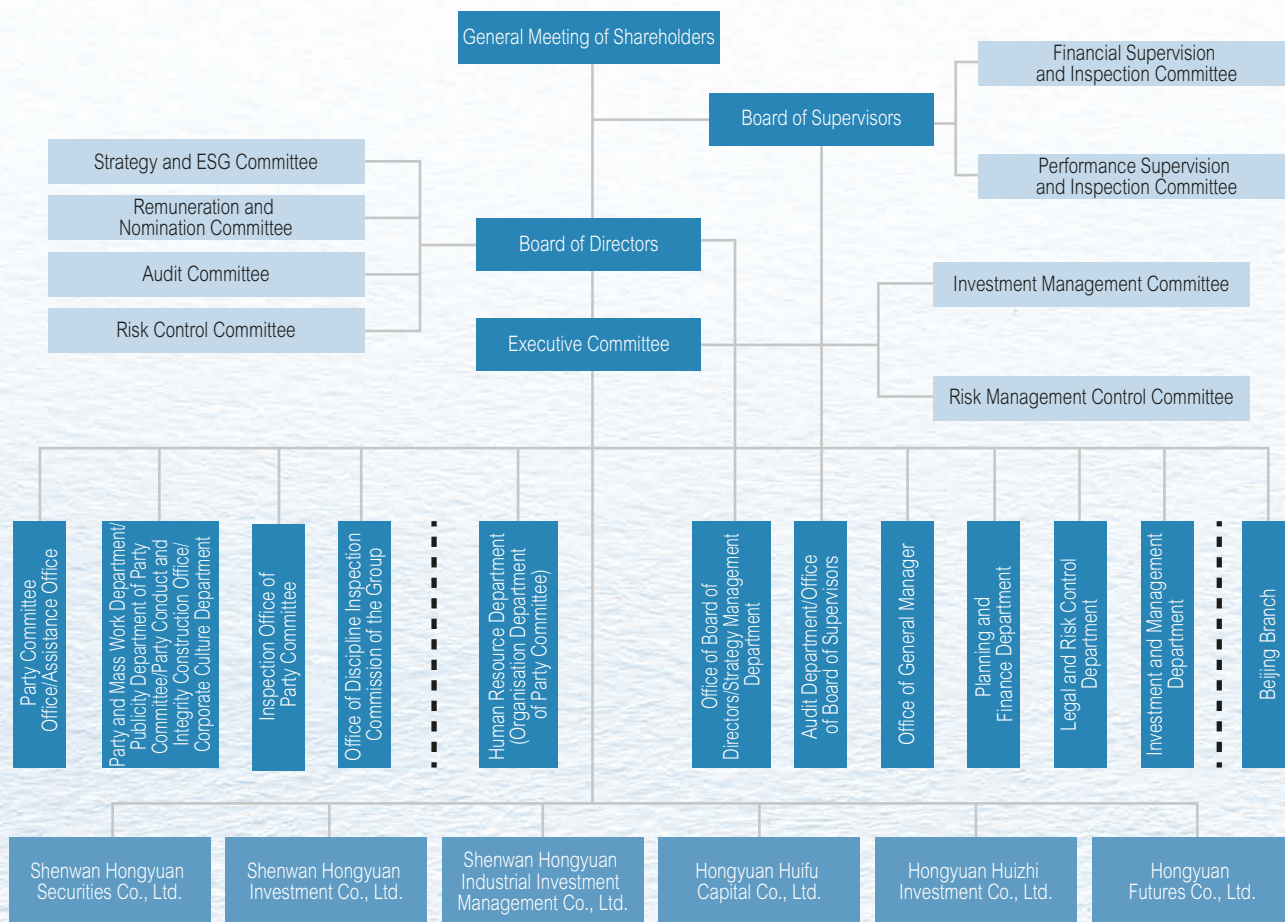
In November 2023, the Xinjiang CSRC issued a Decisions on Warning Letter to Shihezi North 4th Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd., with the main contents as follows: the securities branch had given sales tasks of fund and public fund investment products to employees who did not have fund qualifications, and linked the fund sales relationship and subsequent sales commission of the unqualified employees to the names of other marketing employees; the relevant employees were directly responsible for the above problems.

In response to the above issues, the securities branch has deducted the bonuses received by the unqualified employees from their non-compliant fund sales business, and has prohibited such employees from fund sales business before they obtained the fund qualification. Shenwan Hongyuan Securities (Western) Co., Ltd. has launched a special training program on the compliance management of financial product sales for the persons in charge of fund sales business and product specialists of its branches, and urged its branches to legally and compliantly carry out the business of financial product sales, and will, taking the case as a warning, learn from the case, and avoid recurrence of similar risk incidents.

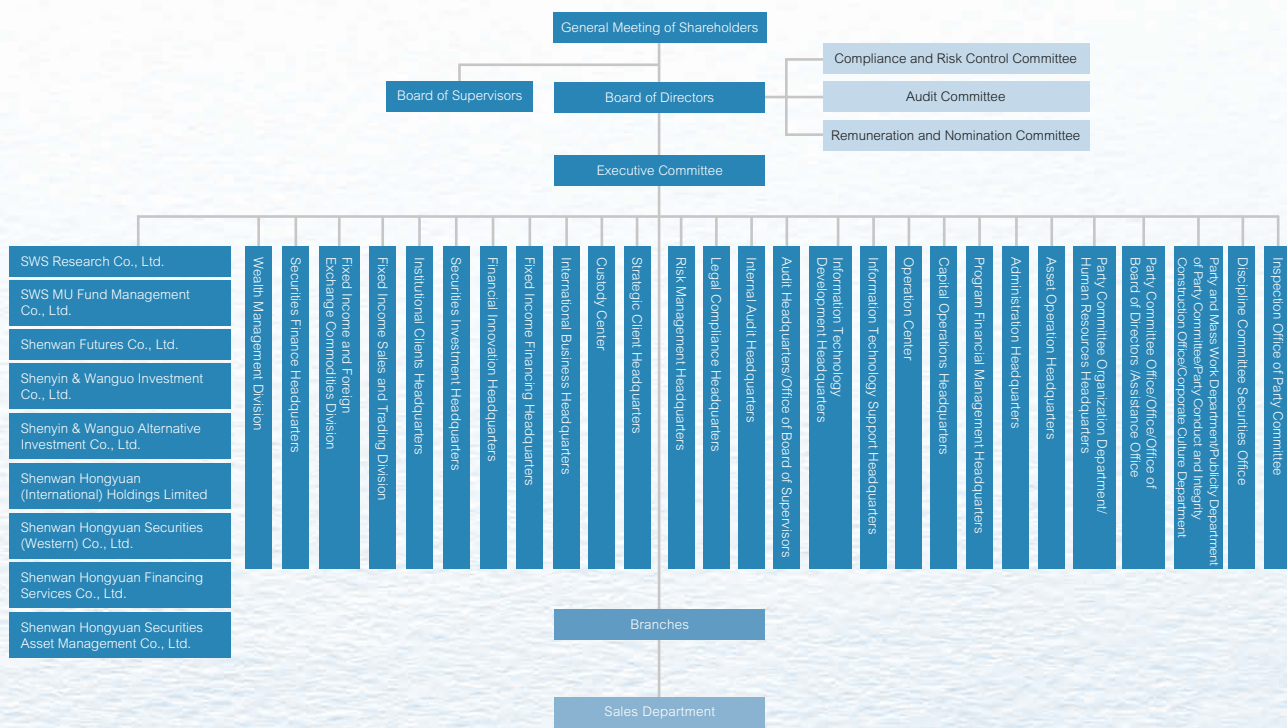
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XXIV. ORGANISATION OF THE COMPANY

(I) Organisation chart of Shenwan Hongyuan Group



(II) Organisation chart of Shenwan Hongyuan Securities



Section VI Significant Events (continued)

(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%	Zhang Jian	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	010-88013518
3	Hongyuan Huifu Capital Co., Ltd.	Room 201, 2/F, No. 19 Taipingqiao Street, Xicheng District, Beijing	March 19, 2010	RMB500 million	100%	Wang Rong	010-88085335
4	Hongyuan Huizhi Investment Co., Ltd.	Room 3-4 (Room 104, Building 3), Balongqiao Yayuan, Qiaozhi Town, Huairou District, Beijing	March 27, 2012	RMB2 billion	100%	Xu Liang	010-88013730
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%	Wang Shengxi	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%	Shang Heng	021-50582169
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%	Dai Jiaming	021-61820675
10	SWS Research Co., Ltd.	3/F, No. 99 Nanjing East Road, Huangpu District, Shanghai	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%	Xu Yewei	021-61606999

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 billion	100%	Wu Meng	852-25098333
15	Shenwan Hongyuan Securities Asset Management Co., Ltd.	Room 18A-1, No. 993 West Nanjing Road, Jing'an District, Shanghai	December 20, 2022	RMB2.5 billion	100%	Li Qi	021-33388318

Note: The information in the above table is the information as of December 31, 2023.

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(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, 2023, the company and its securities subsidiaries have established 58 branch companies and 298 securities branches, located in 127 cities in 21 provinces, 4 municipalities and 3 autonomous regions, including 61 securities branches in Shanghai, 237 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 City	4	61	20.47	Shanghai (61)
Xinjiang Uygur Autonomous Region	/	42	14.09	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	9.73	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	25	8.39	Hangzhou (7), Jinhua (1), Quzhou (1), Tongxiang (2), Jiashan (1), Changshan (1), Huzhou (1), Yiwu (1), Taizhou (1), Shaoxing (1), Lishui (1), Wenzhou (1), Ruian (1), Yongjia (1), Yueqing (1), Ningbo (3)
Guangdong Province	6	20	6.71	Guangzhou (7), Maoming (1), Zhongshan (1), Zhanjiang (1), Shenzhen (10)
Sichuan Province	2	15	5.03	Chengdu (9), Guanghan (1), Meishan (2), Luzhou (2), Ya'an (1)
Hubei Province	2	15	5.03	Wuhan (9), Huangshi (1), Huanggang Xishui (1), Xiangyang (2), Yichang (2)
Liaoning Province	2	11	3.69	Shenyang (5), Benxi (1), Anshan (1), Dalian (4)

Province/ municipality/ autonomous region	Number of branch companies	Number of securities branches	Percentage in		Distribution of securities branches
			total number of securities branches (%)		
Guangxi Zhuang Autonomous Region	1	7	2.35		Nanning (2), Guilin (1), Liuzhou (1), Qinzhou (1), Guigang (1), Hezhou (1)
Jiangxi Province	2	9	3.02		Nanchang (4), Shangrao (2), Ganzhou (1), Jingdezhen (1), Yichun (1)
Fujian Province	3	7	2.35		Fuzhou (2), Putian (1), Shishi (1), Xiamen (2), Jinjiang (1)
Chongqing	1	7	2.35		Chongqing (7)
Hunan Province	1	7	2.35		Changsha (4), Xiangtan (1), Zhuzhou (1) Yiyang (1)
Beijing	4	6	2.01		Beijing (6)
Shandong Province	3	7	2.35		Jinan (2), Linyi (1), Zibo (1), Weifang (1), Qingdao (1), Laixi (1)
Tianjin	1	4	1.34		Tianjin (4)
Anhui Province	2	4	1.34		Hefei (2), Huangshan (1), Huainan (1)
Jilin Province	1	2	0.67		Changchun (1), Jilin (1)
Henan Province	2	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)
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)
Inner Mongolia Autonomous Region	1	/	/	/	/
Total	58	298	100	127	

In addition, as of December 31, 2023, among the non-securities subsidiaries of the Company, 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	Contact number
Shanghai Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 2701-10, 502, 504, 506, 508, 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 902, Building 3, Lane 9, Yunjuan North Road, Lingang New Area, China (Shanghai) Pilot Free Trade Zone	April 22, 2015	Zhou Qi	021-58282078
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	0512-67886333
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
Yangzhou Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 758 Yangtze River Middle Road, Hanjiang District, Yangzhou City, Jiangsu Province	August 1, 1997	Jin Xudong	0514-87891800
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	0519-83869888
Wuxi Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 24 Qingyang Road, Wuxi City, Jiangsu Province	August 22, 1997	Shao Zheng	0510-82856988
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	Xu Lu	0577-88250208
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	Shen Jia	0573-82056778
Guangdong Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 5803B-5804, No. 15 Zhujiang West Road, Tianhe District, Guangzhou, Guangdong Province	February 25, 2014	Che Zuobin	020-38998288

Name	Registered address	Time of establishment	Principal	Contact number
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	Shi Yan	0755-83206086
Zuhai Branch of Shenwan Hongyuan Securities Co., Ltd.	Shop 101-2, No.2045 Yingbin South Road, Gongbei, Xiangzhou District, Zuhai 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	0769-22697699
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
Sichuan Branch of Shenwan Hongyuan Securities Co., Ltd.	Units No. 1 and No. 3, 31/F, Building 1, No. 199 Tianfu 4th Street, Chengdu Hi-Tech Zone, Pilot Free Trade Zone (Sichuan), China	June 30, 2009	Tang Jiantao	028-83338968
Mianyang Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, Building D2-B, No. 488 Feiyun Avenue, Yongxing Town, Hi-Tech Zone, Mianyang City, Sichuan Province	August 25, 2023	Li Bo	0816-6201698
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
Wuhan Guanggu Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 103, 1/F, Building No. 1, Area B, Wuhan Hi-Tech Medical Device Park, No. 818 Gaoxin Avenue, Donghu New Technology Development Zone, Wuhan City, Hubei Province (Wuhan Area of Free Trade Zone)	April 13, 2023	Li Yuanyuan	027-87739163
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 1-2 and Loft 1-1-2, Xinxing International Center, No. 12-2 Yuguang Street and Rooms No. 04/05/06A, 8/F, Xinxing International Center, No. 20 Yide Street, Zhongshan District, Dalian City, Liaoning Province	January 25, 2013	Xia Juan	0411-82802781
Guangxi Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 5505, 55/F, Guangxi Jiuzhou International, No. 9 Zhongxin Road, Qingxiu District, Nanning City, Guangxi Zhuang Autonomous Region	November 7, 2013	Qi Shiquan	0771-5772397

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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, 2022	Cai Jie	0792-8118499
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
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
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
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 Second Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 201-1, 2/F, No. 19 Taipingqiao Street, Xicheng District, Beijing	June 29, 2009	Wang Jing	010-63898827
Shandong Branch of Shenwan Hongyuan Securities Co., Ltd.	Area A, 29/F, North Building, China Life Tower, No. 11001, Jingshi Road, 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
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
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	Liao Jie	0551-62632025
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

Name	Registered address	Time of establishment	Principal	Contact number
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
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
Luoyang Branch of Shenwan Hongyuan Securities Co., Ltd.	Shop 101, Building 1, Tianyuan Center, No. 288, Kaiyuan Avenue, Luolong District, Luoyang City, Henan Province	March 8, 2023	Chen Wei	0379-63239736
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
Hainan Branch of Shenwan Hongyuan Securities Co., Ltd.	Shop B, First Floor, Section C, Huaxin Commercial Building, No. 1 Longkun South Road, Meilan District, Haikou City, Hainan Province	August 20, 1993	Mao Xiaohong	0898-66763931
Heilongjiang Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 309, 3-Floor Building, Room 416, Poly Science and Technology Building, No. 93 Zhongshan Road, Xiangfang District, Harbin City, Heilongjiang Province	May 23, 1997	Sheng Junming	0451-82261108
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
Shanxi Branch of Shenwan Hongyuan Securities Co., Ltd.	Units (01, 02, 03, 04), 39/F, Block A, Zhonghai International Center, No. 8, Section 1, Jinci Road, Wanbaillin District, Taiyuan City, Shanxi Province	September 5, 2001	Zhao Bing	0351-4191801
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	0871-63623268
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	Gao Yanjuan	0471-5275898
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

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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, Shanghai	March 13, 2015	Tao Xiansheng	021-33388788
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	Chen Zilin	0755-33066080
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
Beijing Branch of Shenwan Hongyuan Securities Asset Management Co., Ltd.	Room 201-2, 2/F, No. 19 Taipingqiao Street, Xicheng District, Beijing	December 22, 2023	Chen Xinmei	010-88085740

Note: The information in the above table is the information as of December 31, 2023. As of December 31, 2023, Beijing Second Branch of Shenwan Hongyuan Securities Co., Ltd. has completed the change of business license, and its change of operating permit is still in process.

3. Basic information of securities branches

No.	Name	Registered address	Time of establishment	Principal	Contact number
1	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
2	Shanghai Baoshan District Yixian Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 103A and 503 (actual floor, nominal floor 6F), Block 1, No. 1328 Yixian Road, Baoshan District, Shanghai	August 11, 1992	Zhao Zuojun	021-66181961
3	Shanghai Chongming District Chuanxin Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 1 Chuanxin Street, Chengqiao Town, Chongming District, Shanghai	September 27, 1993	Wu Xuwei	021-59610073
4	Shanghai Fengxian District Renmin Middle Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 236 Renmin Middle Road, Fengxian District, Shanghai	May 18, 1994	Wang Huanxian	021-57417029
5	Shanghai Hongkou District Dalian Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 301 and 304, No. 1, Lane 839, Dalian Road, Hongkou District, Shanghai	June 2, 1997	Wang Wei	021-61736108
6	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	Huang Wei	021-65932933
7	Shanghai Hongkou District Zhongshan North First Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room B301-1, No. 1230 Zhongshan North First Road, Hongkou District, Shanghai	December 26, 1994	Zhou Hua	021-65445198
8	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
9	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
10	Shanghai Huangpu District Lujiabin Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, Block 91, No. 1295 Lujiabang Road, Huangpu District, Shanghai	July 17, 1992	Han Bin	021-63457788
11	Shanghai Huangpu District Xinchang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	3/F Podium, No. 170-180 Xinchang Road, Huangpu District, Shanghai	February 26, 1993	Zhang Shunjie	021-63270318
12	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	021-33662703
13	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	Zhu Yubin	021-63451506

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No.	Name	Registered address	Time of establishment	Principal	Contact number
14	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
15	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	021-59524586
16	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
17	Shanghai Jinshan District Lincang Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	4 & 5/F, No. 180 Lincang Street, (Kailaidi Gold Plaza), Zhujing Town, Jinshan District, Shanghai	December 30, 1992	Chen Jiangwen	021-57320523
18	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
19	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
20	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	Miao Yanfei	021-62569927
21	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	021-56776770
22	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
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	Zhang Zeliang	021-62308398
24	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	021-56384492
25	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	021-56655659
26	Shanghai Jing'an District Zhongxing Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Unit 05 and 06, 8/F, No. 1539 Zhongxing Road, Jing'an District, Shanghai	December 2, 1996	Zhang Zheng	021-56557458

No.	Name	Registered address	Time of establishment	Principal	Contact number
27	Shanghai Minhang District Bijiang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	3/F, No. 349 Bijiang Road, Minhang District, Shanghai	February 25, 1993	Ni Peiwen	021-64308222
28	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	Yang Zhengrong	021-34095921
29	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
30	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
31	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
32	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
33	Shanghai Pudong New District Chuansha Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1-2F, Block 5, No. 4487 Chuansha Road, Pudong New District, Shanghai	December 11, 1996	Guan Xuting	021-68392594
34	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
35	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 Guanyue West Road, Pudong New District, Shanghai	May 29, 1995	Chen Bin	021-68113113
36	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	021-58896633
37	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
38	Shanghai Pudong New District Lujiazui Ring Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 958 Lujiazui Ring Road, Pudong New Area, Shanghai	June 5, 1997	Ge Wenyu	021-68866071
39	Shanghai Pudong New District Miaojing Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	3/F and Zone A, 2/F, No. 399 Miaojing Road, Pudong New District, Shanghai	December 28, 1994	Liu Weimin	021-58989881

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40	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
41	Shanghai Pudong New District Shangcheng Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 355 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
42	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	Zhang Guang	021-50817033
43	Shanghai Pudong New District Yujuan North Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Unit 101-3, Block 3, Lane 9, Yujuan North Road, Lingang New Area, China (Shanghai) Pilot Free Trade Zone	May 30, 2014	Zhao Yunfeng	021-58282662
44	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	021-23560123
45	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	Li Ying	021-60712583
46	Shanghai Putuo District Lanxi Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 135 Lanxi Road, Putuo District, Shanghai	August 21, 1992	Shen Yiming	021-62862128
47	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
48	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	021-39712189
49	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
50	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
51	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
52	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

No.	Name	Registered address	Time of establishment	Principal	Contact number
53	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
54	Shanghai Xuhui District Tianyaoqiao Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Units 03 and 05, North 18A/F and Unit 201, South 2F, No. 333 Tianyaoqiao Road, Xuhui District, Shanghai	April 12, 1990	Mei Yijie	021-64386665
55	Shanghai Xuhui District Yishan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 102-106, No. 719 Yishan Road, Shanghai	December 24, 1996	Yao Wei	021-64822778
56	Shanghai Xuhui District Yunjin Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	T1-306, 3/F, No. 701 Yunjin Road, Xuhui District, Shanghai	May 8, 2014	Dai Ying	021-52211621
57	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
58	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	021-65800808
59	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	021-651277879
60	Shanghai Changning District Shuangliu Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 15 Shuangliu Road, Changning District, Shanghai	August 19, 1992	Hao Hongyan	021-33608822
61	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	Chen Wei	021-62735711
62	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
63	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
64	Nanjing Pubin Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 103, 104, 1/F and Rooms 401-405, 4/F, Building A3, No. 91 Pubin Road, Jiangbei New District, Nanjing, Jiangsu Province	May 29, 2001	Xu Jun	025-58884790

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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	025-52078189
66	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
67	Yancheng Dafeng Jiankang West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 1-2~4 Jiankang West Road, Dafeng District, Yancheng City, Jiangsu Province	January 27, 2014	Xu Chuanwei	0515-83365618
68	Yancheng Dongtai Wanghai East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 32 Wanghai East Road (formerly Xindong East Road), Dongtai City, Yancheng City, Jiangsu Province	December 17, 2013	Tang Xinhua	0515-85320562
69	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	0515-87200562
70	Yancheng Jianhu Huzhong Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	The fifth room to the south of Wanjie Building, No. 148 Huzhong South Road, Jianhu County, Yancheng City, Jiangsu Province	December 20, 2013	Wang Yijun	0515-86232366
71	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
72	Yancheng Economic Development Zone Taishan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Building 3, Software Park, Taishan Road, Yancheng, Jiangsu Province	March 14, 2014	Miao Meilin	0515-88288089
73	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	Gao Qi	0515-82627666
74	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
75	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
76	Haimen Xiushan West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 50 Xiushan West Road, Haimen Subdistrict, Haimen District, Nantong City, Jiangsu Province	August 11, 2014	Shao Lei	0513-80182108

No.	Name	Registered address	Time of establishment	Principal	Contact number
77	Nantong Zhaoxia Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shop 101, Building 1, Aojian Building, No. 467 Zhaoxia Road, Tongzhou District, Nantong City, Jiangsu Province	May 24, 2001	Chen Ying	0513-81691258
78	Nantong Changjiang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 538 Changjiang Road, Haimen Subdistrict, Haimen District, Nantong City, Jiangsu Province	April 19, 2012	Feng Baosheng	0513-51001988
79	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
80	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	0510-87962181
81	Yixing Huankeyuan Xincheng Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 201, Comprehensive Building, Xincheng Garden, Huankeyuan, Yixing City, Wuxi City, Jiangsu Province	January 7, 2014	Chen Wei	0510-87072030
82	Zhenjiang Jiefang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F, No. 5 Building (formerly Building 5, Municipal Government East Courtyard), No. 26 Jiefang Road, Zhenjiang City, Jiangsu Province	August 13, 1997	Ji Zhenlin	0511-85035755
83	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	Zheng Jian	0511-85171166
84	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
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	0514-86330800
86	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
87	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
88	Huai'an Shenzhen Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 7-5, Building 7, Dongguan Yixuan Huayuan, Economic Development Zone, Huai'an City, Jiangsu Province	August 8, 2012	Ding Boru	0517-83800709

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89	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, Suzhou City, Jiangsu Province	January 21, 2019	Zhao Guangyu	0512-58912290
90	Xuzhou Heping Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 26#, 27#-106 and 122, Tixiangwan, Heping Avenue, Yunlong District, Xuzhou City, Jiangsu Province (221004)	April 14, 2021	Wang Chunlong	0516-85558508
91	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	Zhong Di	0571-87979458
92	Hangzhou Jinhua Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	South Side of Room 313, Shangpin Business Building, No. 88 Jinhua Road, Gongshu District, Hangzhou City, Zhejiang Province	July 1, 2003	Xu Zuo	0571-88021345
93	Hangzhou Miduqiao Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 3 Miduqiao Road, Gongshu District, Hangzhou City, Zhejiang Province	March 14, 1997	Lin Zhong	0571-85061177
94	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	Tang Lu	0571-88840686
95	Hangzhou Stadium Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 267 Stadium Road, Hangzhou City, Zhejiang Province	July 1, 2003	Zhang Sheng	0571-85155860
96	Lin'an Guangdian Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 19 Guangdian Road, Jincheng Subdistrict, Lin'an District, Hangzhou City, Zhejiang Province	January 10, 2014	Xiang Yu	0571-61083617
97	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	0571-87925677
98	Jinhua Bayi North Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 484 Bayi North Street, Jinhua City, Zhejiang Province	February 26, 1997	Zhan Yingcai	0579-82305900
99	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
100	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, Jiaxing City, Zhejiang Province	May 19, 2014	Zhao Shengli	0573-88389388

No.	Name	Registered address	Time of establishment	Principal	Contact number
101	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), Wutong Street, Tongxiang City, Jiaxing City, Zhejiang Province	August 22, 1997	Zhu Hui	0573-88113695
102	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, Jiaxing City, Zhejiang Province	August 6, 2001	Xu Jiahua	0573-84235770
103	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 Subdistrict, Changshan County, Quzhou City, Zhejiang Province	April 8, 2002	Lin Qian	0570-5031768
104	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
105	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
106	Wenling Wanchang West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 159 Wanchang West Road, Taiping Sub-district, Wenling City, Zhejiang Province (four complete front rooms facing Wanchang West Road plus 10 square meters of front rooms on the east side)	January 7, 2014	Wang Guocheng	0576-81679792
107	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	Hong Jieqiong	0575-85200995
108	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 20, 2020	Chen Lifeng	0578-2720800
109	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	Jiang Yanmiao	0577-88250792
110	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, Zhejiang Province	August 15, 2001	Lu Youfeng	0577-66882008
111	Yongjia Yangguang Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Business Rooms 111 & 112, Wangfu Building, Longqiao Village, Jiangbei Sub-district, Yongjia County, Zhejiang Province	September 26, 2001	Jin Qinlong	0577-66991186

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112	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
113	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
114	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	0574-87733662
115	Ningbo Youngor Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 383 Youngor Avenue, Shiqi Subdistrict, Haishu District, Ningbo City, Zhejiang Province	February 4, 2016	Xin Zhongyu	0574-87731858
116	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	020-87387195
117	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	020-39239687
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	020-84116029
119	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	He Zhipeng	020-89989890
120	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	Liu Hanbo	020-32164281
121	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 (Office only)	January 28, 2014	Xu Huan	020-32091386
122	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	020-38735131

No.	Name	Registered address	Time of establishment	Principal	Contact number
123	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, Maonan Distirct, Maoming City, Guangdong Province	March 16, 2011	Wang Dongwei	0668-3916988
124	Zhongshan Golden Eagle Plaza Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 04, 17/F, Block 2, Wanmei Golden Eagle Plaza, No. 28 Sun Wen East Road, Shiqi District, Zhongshan City, Guangdong Province	April 9, 1998	Xu Ying	0760-8888836
125	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	0759-3388377
126	Shenzhen Binhai Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 2203, 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
127	Shenzhen Caitian Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room A1701, Xinhao Yidu, No. 7018 Caitian Road, Lianhua First Village Community, Huaifu Sub-district, Futian District, Shenzhen City, Guangdong Province	February 27, 1995	Wang Bo	0755-83642163
128	Shenzhen Fuhua First Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 1702, 1703, 17/F, Life Tower, No. 123 Fuhua 1st Road, Fu'an Sub-district, Futian Street, Futian District, Shenzhen, Guangdong Province	January 31, 2008	Guan Fang	0755-83027695
129	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	0755-33205717
130	Shenzhen Huaifu Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Unit 01-03A, 29/F, West Block, AVIC Center, No. 1018 Huaifu Road, Huahang Community, Huaqiang North Subdistrict, Futian District, Shenzhen City, Guangdong Province	June 16, 1995	Tang Mingjiang	0755-82720927
131	Shenzhen Jintian Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms A01-A02, B01, 22/F, Anlian Mansion, No. 4018 Jintian Road, Shenzhen City, Guangdong Province	May 31, 1995	Luo Xiaoling	0755-88285733

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132	Shenzhen Shangbu Middle Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	8/F, and Rooms 901-910, 9/F, Shen Kan Building, No. 1043 Shangbu Middle Road, Fuqiang Community, Huaqiangbei Sub-district, Futian District, Shenzhen City, Guangdong Province	June 13, 1995	Gui Ruiyi	0755-23895317
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 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 Subdistrict, Longgang District, Shenzhen City, Guangdong Province	September 9, 2022	Mei Jialin	0755-83329626
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	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, 1994	Qian Hongbing	028-86421557
137	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
138	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	Zhang Le	028-86250577
139	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
140	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
141	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

No.	Name	Registered address	Time of establishment	Principal	Contact number
142	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
143	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
144	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	He Mengjiao	028-82205070
145	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
146	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
147	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
148	Luzhou Fenghuang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Nos. 101 and 103, Fenghuang 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	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	Zhang Ji	0835-5181990
151	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
152	Wuhan Guanggu Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 102, 1/F, Building 1, Area B (Wuhan Area of Free Trade Zone), Wuhan Hi-Tech Medical Devices Business Park, No. 818 Gaoxin Avenue, Donghu New Technology Development Zone, Wuhan City, Hubei Province	12 February 2014	Huang Weiming	027-87981127

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153	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, Jiangnan District, Wuhan City, Hubei Province	June 16, 2022	Liu Jiansheng	027-83925236
154	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
155	Wuhan Sanyang Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Units 2202 and 2203, 22/F, Office Building A, Tianyue Xingcheng, No. 8, Sanyang Road, Siwei Street, Jiang'an District, Wuhan City, Hubei Province	February 14, 2001	Yang Xiaowen	027-83220956
156	Wuhan Wuluo Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 2, 1/F, Building 7, Kaile Garden, No. 46, Lane 5, Wuluo Road, Wuchang District, Wuhan City, Hubei Province	May 23, 2023	Xiong Wen	027-87739130
157	Wuhan Xinhua Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 901-903, No. 468 Xinhua Road, Jiangnan District, Wuhan City, Hubei Province	April 3, 1997	Yu Shimou	027-83618977
158	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	027-87711137
159	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
160	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
161	Huanggang Xishui 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
162	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	0710-2815255
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

No.	Name	Registered address	Time of establishment	Principal	Contact number
164	Yichang Development 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
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
166	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
167	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
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 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
170	Shenyang Zhongshan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 193 Zhongshan Road, Heping District, Shenyang City, Liaoning Province	May 21, 1993	Du Guangxin	024-22869556
171	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
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	0412-7335735
173	Dalian Gorky Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Unit 02-3, 1/F, Lvcheng Dalian Shenlan International, No. 504 Gorky Road and Unit 03, 6/F, Lvcheng Dalian Shenlan International, No. 5 Xinghe Second Street, Shahekou District, Dalian City, Liaoning Province	March 17, 1993	Li Xiongwei	0411-82825257
174	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	0411-87613456
175	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

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176	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	0411-82802781
177	Nanning Yinghua Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shops 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
178	Nanning Zhongxin Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 5502 and 5503, 55/F, Guangxi Jiuzhou International, No. 9 Zhongxin Road, Qingxiu District, Nanning City, Guangxi Province	September 1, 1997	Wei Yi	0771-5881033
179	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
180	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
181	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
182	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
183	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
184	Nanchang Nanjing East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1/F, Oriental Plaza, No. 165 Nanjing East Road, Qingshanhu District, Nanchang City, Jiangxi Province	August 10, 2002	He Li	0791-88500198
185	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	Huang Xiaoyong	0791-85736530
186	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
187	Nanchang Zhongshan West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	2/F East Side and 3/F, Building B, No. 12 Zhongshan West Road, Xihu District, Nanchang City, Jiangxi Province	May 19, 1997	Yin Zhongming	0791-86211576

No.	Name	Registered address	Time of establishment	Principal	Contact number
188	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
189	Shangrao Wusan Avenue Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1/F, 2/F, 5/F and 5/F, No. 23 Wusan Avenue, Xinzhou District, Shangrao City, Jiangxi Province	November 21, 1997	Xie Fei	0793-8218616
190	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	Wang Qintao	0797-5886080
191	Jingdezhen Xinchang West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shop 4, Building 1, Moxiang Baodi, No. 409 Xinchang West Road, Zhushan District, Jingdezhen City, Jiangxi Province	June 8, 2023	Zhang Chao	0798-8295523
192	Yichun Yuanhe East Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shop 109, Building 1, Fortune Center, No. 898 Yuanhe East Road, Yichun City, Jiangxi Province	August 30, 2023	Chen Xiaofeng	0795-3133698
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	Fuzhou Guping Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Room 03, 2/F and Room 04, 2/F, Shanghai Building, No. 192 Guping Road, Huada Sub-district, Gulou District, Fuzhou City, Fujian Province	April 11, 1997	Chen Ming	0591-87811342
195	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
196	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	Cai Jinguan	0595-22353186
197	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
198	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

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199	Jinjiang Chongde Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1/F, No. 214 Chongde Road, Jinjiang City, Fujian Province	October 10, 2023	Guan Jinxian	0595-82035525
200	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
201	Chongqing Jinshamen Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	16-1&16-8, No. 6 Juxiyan Plaza, Jiangbei District, Chongqing	September 14, 2021	Zhu Liang	023-67751238
202	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	Jiang Xudong	023-62620275
203	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
204	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
205	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
206	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
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 17, 2014	Peng Man	0731-85113387
208	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	January 1, 1993	Li Pengcheng	0731-84455387
209	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	Ma Xiaolong	0731-82886677
210	Changsha Xiangjiang Middle Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	30015-30020, 30/F, Tower A, Huijing Development Business Center, No. 178 Section 2 of Xiangjiang Middle Road, Tianxin District, Changsha City, Hunan Province	December 25, 2007	Mao Huajun	0731-85529560

No.	Name	Registered address	Time of establishment	Principal	Contact number
211	Xiangtan Jianshe North Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Rooms 010113-010120, Unit 1, Baishi Commercial Plaza, No. 8 Jianshe North Road, Yuhu District, Xiangtan City, Hunan Province	July 11, 2012	Yang Li	0731-55583205
212	Zhuzhou Zhujiang South Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	804-01, 8/F, Shennong Sun City Commercial Outer Circle, No. 599 Zhujiang South Road, Tianyuan District, Zhuzhou City, Hunan Province	February 28, 2011	Miao Fang	0731-22727776
213	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	0737-2223867
214	Beijing Anding Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Changxin Building, No. 39 Anding Road, Chaoyang District, Beijing	April 18, 1994	Zhang Manyi	010-84109799
215	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	010-65505168
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	010-63896561
217	Beijing Jinsong Jiuqu Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Building 909, Jinsong Jiuqu, Chaoyang District, Beijing	September 11, 1995	Gao Feng	010-67736286
218	Beijing Lize Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	401-1A, 101 Inner, 4/F, Building 1, Yard 24, Lize Road, Fengtai District, Beijing	November 11, 2010	Zhao Yang	010-63305520
219	Beijing Zizhuyuan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shop 01, Block A, 3/F, No. 116 Zizhuyuan Road, Haidian District, Beijing	November 29, 2001	Sun Qian	010-88511208
220	Jinan Jingshi Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Area B, 29/F, North Building, China Life Building, No. 11001 Jingshi Road, Lixia District, Jinan City, Shandong Province	August 15, 2012	Mu Jun	0531-55639886
221	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
222	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
223	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	0533-6588087

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224	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
225	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
226	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
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, Binhai New Area, Tianjin	June 10, 2008	Li Huiqing	022-59829911
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	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
230	Tianjin Wujayao Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Shop 202, Senmiao Apartment, No. 13 Wujayao Street, Hexi District, Tianjin	May 4, 1997	Hao Shuai	022-23115335
231	Hefei Qianshan Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	Offices 1504, 1505 and 1506, Part 1, Baili Business Center, No. 888 Qianshan Road, Shushan District, Hefei City, Anhui Province	September 6, 2011	Wang Hongpeng	0551-67127567
232	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	0551-66026559
233	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	0559-2511616
234	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
235	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

No.	Name	Registered address	Time of establishment	Principal	Contact number
236	Changchun Shengtai Street Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	No. 104, 7/F, 8/F and 9/F, Phase III, Huarongtai Commercial Complex, No. 2345 Shengtai Street, Jingyue Development Zone, Changchun City, Jilin Province	December 23, 2013	Qiu Yuxi	0431-81815799
237	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
238	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
239	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
240	Tangshan Guangming Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1-2/F, Commercial Building, No. 1810 Lugang Community, Guangming Road, Lubei District, Tangshan City, Hebei Province	November 29, 2007	Fan Shibo	0315-2395562
241	Shijiazhuang Zhongshan West Road Securities Branch of Shenwan Hongyuan Securities Co., Ltd.	1/F, Mixc 0124 and No. 2512 and 2513, Block A, Mixc, No. 108 Zhongshan West Road, Qiaoxi District, Shijiazhuang City, Hebei Province	January 13, 2014	Han Xiaoxu	0311-66772089
242	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
243	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	0898-66513977
244	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
245	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	Liu Shiwen	0898-28839607

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No.	Name	Registered address	Time of establishment	Principal	Contact number
246	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	0451-87238292
247	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
248	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
249	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, Huichuan District, Zunyi City, Guizhou Province	June 12, 2014	Gao Tiejun	0851-27569858
250	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
251	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
252	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	0874-3181160
253	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
254	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

No.	Name	Registered address	Time of establishment	Principal	Contact number
255	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
256	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
257	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
258	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
259	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
260	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
261	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
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 Yangziji Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	1F to 2F, Annex, News building of Xinjiang Daily, No. 16 Yangziji Road, Shayibake District, Urumqi City, Xinjiang	August 6, 2008	Hou Caixia	0991-5857539
265	Urumqi Exhibition Avenue Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	East Side of 14/F, Block B, Building 1, Urumqi Evening News Building, No. 1119 Exhibition Avenue, Shuimogou District, Urumqi City, Xinjiang	February 21, 2008	Zhao Li	0991-4532207
266	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

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267	Urumqi Zhenxing Middle Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 699 Zhenxing Middle Road, Midong District, Urumqi City, Xinjiang	January 31, 2008	Li Xiulei	0991-3381071
268	Urumqi Kunlun East Street Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Offices 405, 406, 407 and 408, 4/F, No. 789 Kunlun East Street, Shuimogou District, Urumqi City, Xinjiang	February 24, 2002	Nie Tengyun	0991-3772810
269	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	0997-2125800
270	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
271	Atushi Guangming Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Shop 106, No. 27 Guangming North Road, Xingfu Sub-district, Atushu City, Kizilsu Kirghiz Autonomous Prefecture, Xinjiang	May 5, 2010	Zhu Guangming	0908-4265099
272	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
273	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
274	Changji Yan'an Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	3/F, No. 69 Yan'an South Road (Building 48, Qiu 3, Zone 40), Changji City, Changji Prefecture, Xinjiang	November 5, 2008	Chi Xiaojie	0994-2357411
275	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
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	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
278	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

No.	Name	Registered address	Time of establishment	Principal	Contact number
279	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
280	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	0990-6233277
281	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	0990-6223574
282	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
283	Korla Binhe Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	2/F, Zaishuiyifang, No.7 Binhe Road, Korla City, Bayingolin Mongol Autonomous Prefecture, Xinjiang	December 4, 2007	Li Xiaopeng	0996-2033425
284	Kuitun Beijing West Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Room 12, Building 7, Kalagashi-Beijing West Road, Downtown of Kuitun City, Yili Prefecture, Xinjiang	December 3, 2007	Liu Hu	0992-3224050
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, Xinjiang	May 7, 2010	Wei Jingjing	0994-6860038
286	Qitai Tuanjie South Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 3, 1/F, Building 219, Qiu 12, Zone 2, Tuanjie South Road, Qitai County, Changji Prefecture, Xinjiang (Office Building of Founder Company)	May 7, 2010	Zhou Yan	0994-7241068
287	Shanshan Xincheng East Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 3, Building 1, East Podium, Xiyu Hotel, South Side of Xincheng East Road, 7th District, Shanshan County, Turpan City, Xinjiang	September 23, 2008	Li Nan	0995-8314862
288	Shihezi North Second Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	Rooms 22-A3 & 22-7, Chengyu Building, North Second Road, San Community, Shihezi City, Xinjiang	December 7, 2007	Wei Yuehong	0993-2010287
289	Shihezi Beisi Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	3/F, No. 167, Beisi Road, Community 22, Shihezi City, Xinjiang	March 28, 2002	Li Hao	0993-2093889
290	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

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291	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
292	Wusu Huanghe Road Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 2-17 and 2-18, 2/F, Building 36, Ruibang Lijing, No. 513 Huanghe Road, Wenlin Road Community, New City Area Sub-district, Wusu City, Tacheng Prefecture, Xinjiang	May 4, 2010	Wei Bianjiang	0992-3224521
293	Wujaqu Zhenxing Street Securities Branch of Shenwan Hongyuan Securities (Western) Co., Ltd.	No. 261-2 Zhenxing Street, Wujaqu City, Xinjiang	May 5, 2010	Wei Ze	0994-5800951
294	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
295	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
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	0903-6880066
297	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
298	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

Note: The table above is for information as of December 31, 2023.

Section VII Changes in Shares and Shareholders

I. CHANGES IN SHARES

(I) Table of changes in shares

	Before the change		Increase or decrease (+,-) of this change					After the change	
	Number	Percentage	New shares issued	Reserves			Sub-total	Number	Percentage
				Bonus issue	capitalized	Others			
									Unit: Share
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 249,705 (including 249,645 A shareholders and 60 H shareholders)**

(II) Number of shareholders and their shareholdings as of December 31, 2023

Unit: Share

Total number of ordinary shareholders as of the end of the Reporting Period	255,957 (including 255,897 A shareholders and 60 H shareholders)	Total number of preferred shareholders whose voting rights were resumed at the end of the Reporting Period (if any)	None
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Shareholdings of the top ten ordinary shareholders

Name of shareholders	Nature of shareholder	Shareholding percentage	Number of ordinary shares held		Number of ordinary shares subject to selling restrictions	Number of ordinary shares without selling restrictions	Pledged or frozen	
			at the end of the Reporting Period	Increase or decrease during the Reporting Period			Status	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%	2,503,809,520	11,750	0	2,503,809,520	N/A	N/A
Shanghai Jiushi (Group) Co., Ltd	State-owned legal entity	4.80%	1,201,685,289	-10,162,400	0	1,201,685,289	-	0
Sichuan Development Holding Co., Ltd.	State-owned legal entity	4.49%	1,124,543,633	0	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 (Group) Co., Ltd.	State-owned legal entity	1.60%	400,095,559	-60,546,657	0	400,095,559	Pledged	52,000,000
Hong Kong Securities Clearing Company Limited	Overseas legal entity	1.26%	316,302,667	27,346,576	0	316,302,667	-	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	Reporting Period	Number of ordinary shares without selling restrictions at the end of the	
		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	2,503,809,520	Overseas listed foreign shares	2,503,809,520
Shanghai Jiushi (Group) Co., Ltd.	1,201,685,289	RMB-denominated ordinary shares	1,201,685,289
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 (Group) Co., Ltd.	400,095,559	RMB-denominated ordinary shares	400,095,559
Hong Kong Securities Clearing Company Limited	316,302,667	RMB-denominated ordinary shares	316,302,667
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 10,162,40 shares from the end of December 2022.		

- 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).

Participation of top ten shareholders in lending of shares in the margin and securities refinancing business

Unit: Share

Name of shareholder (Full name)	Participation of top ten shareholders in lending of shares through refinancing							
	Shareholdings in ordinary account and credit account at the beginning of the period		Outstanding shares lent through refinancing at the beginning of the period		Shareholdings in ordinary account and credit account at the end of the period		Outstanding shares lent through refinancing at the end of the period	
	Percentage		Percentage		Percentage		Percentage	
	Total number	of the total shares	Total number	of the total shares	Total number	of the total shares	Total number	of the total shares
Shanghai Jiushi (Group) Co., Ltd.	1,211,847,689	4.8397%	962,700	0.0038%	1,201,685,289	4.7991%	11,125,100	0.0444%

Changes in the top ten shareholders compared to the previous period

There were no additions of or exits from the Company's top ten shareholders compared to the end of the 2022.

Whether the Company's top ten ordinary shareholders and top ten ordinary shareholders without selling restrictions engaged in agreed repurchase transactions during the Reporting Period

Yes No

(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, 2023

No.	Stock Code	Stock Name	Number of shares held (shares)
1	400149.NQ	Shandong Jintai	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
5	688631.SH	Les Information	19,000,000

(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, 2023, 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 authorized 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, 2023 is as follows:

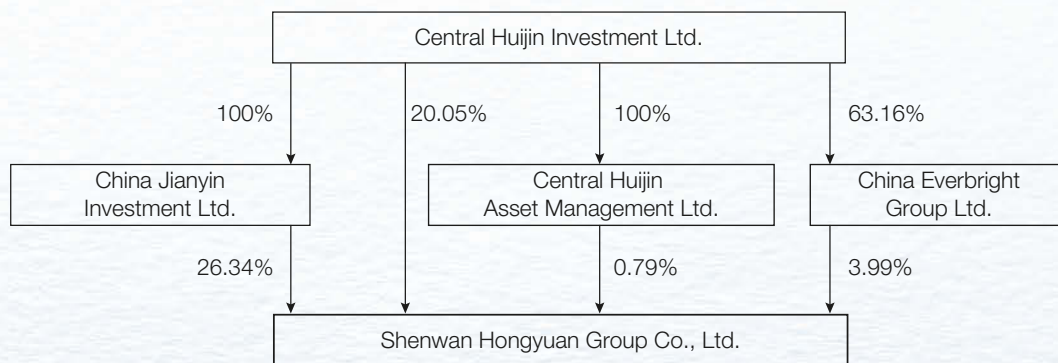
No.	Name of institution	Shareholding by Central Huijin
1.	China Development Bank	34.68%
2.	Industrial and Commercial Bank of China Limited★☆	34.79% Note 1
3.	Agricultural Bank of China Limited★☆	40.14%
4.	Bank of China Limited★☆	64.13%
5.	China Construction Bank Corporation★☆	57.14%
6.	China Everbright Group Ltd.	63.16%
7.	China Export & Credit Insurance Corporation	73.63%
8.	China Reinsurance (Group) Corporation☆	71.56%
9.	China Jiayin 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.	Zhong Hui Life Insurance Co., Ltd.	80.00%
15.	Evergrowing Bank Co., Limited	53.95%
16.	Bank of Hunan Corporation Limited	20.00%
17.	China Securities Co., Ltd. ★☆	30.76%
18.	China Galaxy Asset Management Co., Ltd.	13.30%
19.	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

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, 2023, 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, 2023, 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	Percentage	Long/short positions
				of the total number of issued shares of the Company ^{Note 4}	of the total number of issued A Shares/H Company	
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	26.00	Long positions
4 Everbright PGIM Fund Management Co., Ltd. (on behalf of EPF – Huaxia Life SMAOne (光大保德信 – 華夏人壽1號單 – 資產管理計劃))	H Shares	Trustee	216,134,400	0.86	8.63	Long positions
5 Huaxia Life Insurance Co., Ltd. ^{Note 2}	H Shares	Beneficial owner	216,134,000	0.86	8.63	Long positions
6 China Life Insurance (Group) Company	H Shares	Beneficial owner	172,907,200	0.69	6.90	Long positions
7 China Life Franklin Asset Management Co., Limited	H Shares	Investment manager	153,633,600	0.61	6.14	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, 2023, 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, 2023, 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 Publicly Offered issued by the Company to Professional Investors in 2021 (First Tranche) (“21 ShenHong 01”) 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 January 30, 2024, January 31, 2024 and February 1, 2024, the Company disclosed the first, second and third Indicative Announcement on Adjustment of Coupon Rate and Measures for Implementation of Put-back by Investors for “21 ShenHong 01” bonds, respectively, pursuant to which the issuer determined to lower the coupon rate by 268 basis points at the end of the third interest-bearing year of “21 ShenHong 01”, i.e. the coupon rate for the fourth and fifth interest-bearing years of the term of the bonds (i.e. from March 8, 2024 to March 7, 2026) is 1.00% 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 “21 ShenHong 01” is from February 2, 2024 to February 8, 2024. (Please refer to the relevant announcements published by the Company on the Cninfo website (www.cninfo.com.cn) and the website of HKExnews of Hong Kong Stock Exchange (www.hkexnews.hk) on January 30, January 31 and February 1, 2024 for details)

The number of “21 ShenHong 01” bonds subject to put-back is 15,000,000, the put-back amount is RMB1,500,000,000.00, and the remaining number of bonds under custody is 0. The principal and interest for the “21 ShenHong 01” 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 on time, and were transferred to the accounts of investors on the date of receipt of put-back funds which is March 8, 2024. The put-back is in full. Upon completion of the implementation, “21 ShenHong 01” was delisted at the Shenzhen Stock Exchange on March 8, 2024. (Please refer to the relevant announcements published by the Company on the Cninfo website (www.cninfo.com.cn) and the website of HKExnews of Hong Kong Stock Exchange (www.hkexnews.hk) on March 6, 2024 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	0	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.	
Corporate Bonds of Shenwan Exchange 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	0	4.80%	Interest shall be paid annually, and principal will be repaid upon maturity together with interest payable for the last period.	Shenzhen Stock Exchange
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	Nil								

Note: Repayment of principal and payment of interest were completed for the Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Qualified Investors in 2018 (First Tranche) (Type II) on July 17, 2023.

2. 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	
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	be calculated annually, while the principal shall be fully repaid	
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	upon maturity. Interest shall be paid annually, and principal will	Shenzhen Stock Exchange
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	be repaid upon maturity together with interest payable for the	
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	last period.	
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								

Note: Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Professional Investors in 2021 (First Tranche) (Type I) was completed on March 8, 2024 and delisted.

3. 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		
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	Interest shall be calculated annually, while the principal shall be fully repaid upon maturity.	
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	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 (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" (《公司债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								

4. Public offering of corporate bonds in 2023

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 Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2023 (First Tranche) (Type II)	23 ShenHong 02	148318	2023-06-12	2023-06-14	2033-06-14	500,000	3.49	Interest shall be calculated annually, while the principal shall be fully repaid	
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2023 (Second Tranche) (Type I)	23 ShenHong 03	148448	2023-09-01	2023-09-05	2024-09-05	160,000	2.49	Interest shall be paid annually, and principal will be repaid upon	Shenzhen Stock Exchange
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2023 (Second Tranche) (Type II)	23 ShenHong 04	148449	2023-09-01	2023-09-05	2026-09-05	80,000	2.85	maturity together with interest payable for the last period.	
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								

5. Public Offering of Corporate Bonds in 2024

Name of bond	Abbreviation of bond	Code of bond	Offering date	Value date	Maturity date	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 2024 (First Tranche) (Type II)	24 Shenhong 02	148638	2024-03-11	2024-03-13	2029-03-13	245,000	2.71	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
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. Issued Publicly to Professional Investors in 2021 (First Tranche) (“21 ShenHong 01”) 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 January 30, 2024, January 31, 2024, and February 1, 2024, 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 “21 ShenHong 01” bonds, respectively, pursuant to which the issuer determined to lower the coupon rate by 268 basis points at the end of the third interest-bearing year of “21 ShenHong 01”, i.e. the coupon rate for the fourth and fifth interest-bearing years of the term of the bonds (that is, from March 8, 2024 to March 7, 2026) is 1.00% 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 “21 ShenHong 01” is from February 2, 2024 to February 8, 2024. The number of “21 ShenHong 01” bonds subject to put-back is 15,000,000, the put-back amount is RMB1,500,000,000.00, and the remaining number of bonds under custody is 0. The principal and interest for the “21 ShenHong 01” bonds subject to putback 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 which is March 8, 2024. The put-back is in full. Upon completion of the implementation, “21 ShenHong 01” was delisted at the Shenzhen Stock Exchange on March 8, 2024. (Please refer to the relevant announcements published by the Company on the Cninfo website (www.cninfo.com.cn) and the website of HKExnews of Hong Kong Stock Exchange (www.hkexnews.hk) on January 30, January 31, February 1 and March 6, 2024 for details)

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:					
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:					
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:							
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

Section VIII Profile of Bonds (continued)

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	Pricewaterhouse Coopers Zhong Tian LLP	Office address	Room 01, Unit 507, DBS Building, No. 1318 Lujiazui Ring Road, Pilot Free Trade Zone, 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			

Underwriter for Corporate Bonds Publicly Offered in 2023:						
Name of lead underwriter: Shenwan Hongyuan Securities Co., Ltd.	Office address	6/F, Tower C, Everest Center, No. 26 Jinshifang 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, Lin Haichao	Telephone	0731-84779547
Signing accountants for Corporate Bonds Publicly Offered in 2023:						
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	Room 01, Unit 507, DBS Building, No. 1318 Lujiazui Ring Road, Pilot Free Trade Zone, Shanghai	Name of signing accountants	Yip Siu Foon, Linda, Shan Feng	
Bond trustee for Corporate Bonds Publicly Offered in 2023:						
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		

Section VIII Profile of Bonds (continued)

Underwriter for Corporate Bonds Publicly Offered in 2024:							
Name of lead underwriter:	Shenwan Hongyuan Securities Co., Ltd.	Office address	6/F, Tower C, Everest Center, No. 26 Jinshifang Street, Xicheng District, Beijing, China	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, Lin Haichao	Telephone	0731-84779547
Signing accountants for Corporate Bonds Publicly Offered in 2024:							
Name of accounting firm	KPMG Huazhen LLP	Office address	8/F, East Tower 2, East Square, 1 East Chang'an avenue, Beijing, China	Name of signing accountants	Jin Naiwen, Yu Jingjing		
Name of accounting firm	PricewaterhouseCoopers Zhong Tian LLP	Office address	Room 01, Unit 507, DBS Building, No. 1318 Lujiazui Ring Road, Pilot Free Trade Zone, Shanghai	Name of signing accountants	Yip Siu Foon, Linda, Shan Feng		
Bond trustee for Corporate Bonds Publicly Offered in 2024:							
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, Lin Haichao		
Credit rating agency(ies) which conducted rating on corporate bonds during the Reporting Period:							
N/A							
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)				N/A			

(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. 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
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Professional Investors in 2023 (First Tranche)	5,000,000,000	5,000,000,000	0	Use according to regulations	Nil	Yes
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Professional Investors in 2023 (Second Tranche)	2,400,000,000	2,400,000,000	0	Use according to regulations	Nil	Yes
Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. Publicly Offered to Professional Investors in 2024 (First Tranche)	2,450,000,000	0	2,450,000,000		Nil	Yes

Use of proceeds for construction projects

N/A

Change 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 has set up a special debt repayment account. and paid out of the special debt repayment account the interest payable for “18 ShenHong 01” and “18 ShenHong 02”. In July 2023, 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, 2022 to July 16, 2023 and all principal.

2. 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 interest payable for “21 ShenHong 01”, “21 ShenHong 02”, “21 ShenHong 04”, “21 ShenHong 05” and “21 ShenHong 06”. In March 2023, 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, 2022 to March 7, 2023. In July 2023, the Company paid out of the special debt repayment account the interest for “21 ShenHong 04” for the period from July 15, 2022 to July 14, 2023. In August 2023, 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, 2022 to August 3, 2023.

3. 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.

The Company has set up a special debt repayment account and paid out of the special debt repayment account the interest payable for “22 ShenHong 01”, “22 ShenHong 02”, “22 ShenHong 03”, “22 ShenHong 04” and “22 ShenHong 06”. In March 2023, the Company paid out of the special debt repayment account the interest payable for “22 ShenHong 01” and “22 ShenHong 02” for the period from March 8, 2022 to March 7, 2023. In April 2023, the Company paid out of the special debt repayment account the interest for “22 ShenHong 03” and “22 ShenHong 04” for the period from April 26, 2022 to April 25, 2023. In August 2023, the Company paid out of the special debt repayment account the interest for “22 ShenHong 06” for the period from August 30, 2022 to August 29, 2023.

4. Public Offering of Corporate Bonds in 2023

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 2023 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.

5. Public Offering of Corporate Bonds in 2024

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 2024 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.

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	1.38	1.58	Decreased by 0.20
Gearing ratio ^{Note}	76.09%	77.25%	Decreased by 1.16 percentage points
Quick ratio	1.38	1.58	Decreased by 0.20

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)	5,248,528	2,959,853	77.32%
Total debt to EBITDA ratio	0.09	0.07	Increased by 0.02
Interest coverage multiple	1.69	1.34	26.12%
Cash interest coverage multiple	8.64	5.18	66.80%
EBITDA interest coverage multiple	1.78	1.42	25.35%
Loan repayment ratio	100%	100%	--
Interest repayment ratio	100%	100%	--

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"), which are set out on pages 312 to 456, comprise:

- the consolidated statement of financial position as at 31 December 2023;
- 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
- notes to the consolidated financial statements, comprising material accounting policy information 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 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards 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 judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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
<p>Consolidation of structured entities</p> <p><i>Refer to Notes 3(3) and 53 to the consolidated financial statements.</i></p> <p>As at 31 December 2023, 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 RMB69,729 million and RMB48,812 million, respectively.</p> <p>The Group acted as asset manager for, or invested in, a number of investment funds and asset management plans which were structured entities.</p>	<p>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.</p>

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 judgement of these structured entities were acceptable.

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(6), 3(7), 3(10), 3(11), 14, 24, 25, 26, 33 and 58(1) to the consolidated financial statements.

As at 31 December 2023, the Group recognized the following financial assets in its consolidated statement of financial position:

- margin accounts amounted to RMB64,428 million with a credit loss allowance of RMB403 million;
- financial assets held under resale agreements amounted to RMB4,615 million with a credit loss allowance of RMB1,798 million;
- financial assets measured at amortized cost amounted to RMB3,517 million with a credit loss allowance of RMB457 million;
- debt instruments measured at fair value through other comprehensive income amounted to RMB73,399 million with a credit loss allowance of RMB906 million.

The credit impairment losses for the aforesaid financial assets recognized in the Group's consolidated income statement for the year ended 31 December 2023 amounted to RMB232 million.

How our audit addressed the Key Audit Matter

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 2023 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 judgements 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, tested whether or not the models reflect the modelling methodologies documented by 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
- (4) The estimated future cash flows for financial assets classified under stage 3.

The Group has established governance processes and controls over the measurement of ECL.

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.

- (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) 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.

- (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.

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(9) and 57 to the consolidated financial statements.

As at 31 December 2023, 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 2023 were RMB24,690 million and RMB4,052 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 IFRS Accounting Standards 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.

Section IX Financial Statements Independent Auditor's Report (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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, 28 March 2024

Consolidated income statement

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

		For the year ended 31 December	
	Note	2023	2022
Revenue			
Fee and commission income	5	8,332,792	10,428,954
Interest income	6	10,026,911	9,842,835
Net investment gains	7	8,973,874	5,081,933
Total revenue		27,333,577	25,353,722
Other income and gains	8	4,582,571	6,221,971
Total revenue and other income		31,916,148	31,575,693
Fee and commission expenses	9	1,326,051	1,895,349
Interest expenses	10	9,695,409	9,750,535
Staff costs	11	7,725,057	7,720,630
Depreciation and amortization expenses	12	869,538	749,507
Tax and surcharges		135,357	144,664
Other operating expenses	13	6,219,305	7,572,369
Credit impairment losses	14	341,099	1,424,144
Impairment losses on other assets		89,846	13,975
Total expenses		26,401,662	29,271,173
Operating profit		5,514,486	2,304,520
Share of profit of associates and joint ventures		577,596	745,443
Profit before income tax		6,092,082	3,049,963
Income tax expense	15	616,879	(89,584)
Profit for the year		5,475,203	3,139,547
Attributable to:			
Shareholders of the Company		4,606,340	2,789,068
Non-controlling interests		868,863	350,479
Total		5,475,203	3,139,547
Basic and diluted earnings per share (expressed in RMB yuan per share)	18	0.18	0.11

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December 2023
(In RMB thousands, unless otherwise stated)

	For the year ended 31 December	
	2023	2022
Profit for the year	5,475,203	3,139,547
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	663,730	(756,250)
– Reclassified to profit or loss	166,454	157,040
Share of other comprehensive income of associates and joint ventures	1,362	8,336
Exchange differences on translation of financial statements in foreign currencies	43,643	400,550
Income tax impact	(171,645)	134,778
Items that will not be reclassified to profit or loss:		
Equity investment at fair value through other comprehensive income		
– Net change in fair value	832,996	(458,821)
Income tax impact	(208,267)	107,849
Total other comprehensive income for the year, net of tax	1,328,273	(406,518)
Total comprehensive income for the year	6,803,476	2,733,029
Attributable to:		
Shareholders of the Company	5,946,613	2,326,931
Non-controlling interests	856,863	406,098
Total	6,803,476	2,733,029

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at 31 December 2023

(In RMB thousands, unless otherwise stated)

	Note	As at 31 December 2023	As at 31 December 2022
Non-current assets			
Property and equipment	19	1,429,979	1,402,629
Right-of-use assets	20	994,630	899,563
Investment properties		43,494	47,980
Other intangible assets	21	311,593	291,293
Interest in associates and joint ventures	23	4,076,755	4,108,398
Financial assets measured at amortized cost	24	1,370,362	3,616,601
Financial assets at fair value through other comprehensive income	25	73,173,338	4,204,258
Financial assets held under resale agreements	26	513,511	3,916,685
Financial assets at fair value through profit or loss	27	13,080,312	14,589,206
Refundable deposits	28	22,812,202	26,517,378
Deferred tax assets	29	2,739,571	3,461,424
Other non-current assets	30	433,524	461,500
Total non-current assets		120,979,271	63,516,915
Current assets			
Accounts receivable	31	6,167,987	5,248,559
Other current assets	32	1,779,777	1,333,576
Margin accounts receivable	33	64,428,205	61,299,617
Financial assets measured at amortized cost	24	2,146,897	500,768
Financial assets at fair value through other comprehensive income	25	70,819,304	52,336,319
Financial assets held under resale agreements	26	4,101,053	13,523,679
Financial assets at fair value through profit or loss	27	223,407,852	264,429,834
Derivative financial assets	34	10,207,378	8,197,282
Clearing settlement funds	35	12,335,678	21,106,241
Cash held on behalf of brokerage clients	36	85,610,760	89,528,669
Cash and bank balances	37	33,453,256	32,095,566
Total current assets		514,458,147	549,600,110
Total assets		635,437,418	613,117,025

	Note	As at 31 December 2023	As at 31 December 2022
Current liabilities			
Loans and borrowings	39	835,592	1,719,395
Short-term debt instruments issued	40	28,055,961	22,052,001
Placements from other financial institutions	41	2,440,854	3,462,411
Accounts payable to brokerage clients	42	96,870,504	100,310,770
Employee benefits payable	43	2,110,487	2,030,490
Other payables and accruals	44	58,461,588	46,401,024
Contract liabilities		48,115	37,785
Current tax liabilities		71,891	132,484
Financial assets sold under repurchase agreements	45	163,215,333	153,494,134
Lease liabilities	46	369,687	370,363
Financial liabilities at fair value through profit or loss	47	5,694,306	5,500,999
Derivative financial liabilities	34	6,185,560	4,749,684
Long-term bonds due within one year	48	34,371,888	44,451,669
Total current liabilities		398,731,766	384,713,209
Net current assets		115,726,381	164,886,901
Total assets less current liabilities		236,705,652	228,403,816
Non-current liabilities			
Long-term bonds	48	102,857,017	106,612,891
Non-current employee benefits payable	43	3,648,945	3,953,295
Deferred tax liabilities	29	30,527	5,387
Lease liabilities	46	645,826	555,643
Other non-current liabilities		729,203	596,907
Total non-current liabilities		107,911,518	111,724,123
Net assets		128,794,134	116,679,693
Equity			
Share capital	49	25,039,945	25,039,945
Reserves	50	42,899,731	39,855,701
Retained profits	51	32,205,365	30,149,298
Total equity attributable to shareholders of the Company		100,145,041	95,044,944
Non-controlling interests		28,649,093	21,634,749
Total equity		128,794,134	116,679,693

The accompanying notes form an integral part of these consolidated financial statements.

Approved and authorised for issue by the Board of Directors on 28 March 2024.

Liu Jian

Executive Director, Chairman

Huang Hao

Executive Director, President

Consolidated statement of changes in equity

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

	Attributable to shareholders of the Company							Non-controlling interests			Total equity
	Reserves							Subtotal	Other equity		
	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)		Ordinary shareholders	instrument investors	
As at 1 January 2023	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
Profit for the year	-	-	-	-	-	-	4,606,340	4,606,340	68,667	800,196	5,475,203
Other comprehensive income	-	-	-	-	1,277,383	62,890	-	1,340,273	(12,000)	-	1,328,273
Total comprehensive income for the year	-	-	-	-	1,277,383	62,890	4,606,340	5,946,613	56,667	800,196	6,803,476
Shareholders invested/(reduced) capital											
- Issuance of perpetual debt	-	-	-	-	-	-	-	-	-	6,855,849	6,855,849
- Others	-	(95,317)	-	-	-	-	-	(95,317)	25,974	-	(69,343)
Appropriation to surplus reserve	-	-	73,245	-	-	-	(73,245)	-	-	-	-
Appropriation to general reserve	-	-	-	1,323,000	-	-	(1,323,000)	-	-	-	-
Dividends approved in respect of the previous year	-	-	-	-	-	-	(751,199)	(751,199)	(7,942)	-	(759,141)
Distribution to other equity instrument investors	-	-	-	-	-	-	-	-	-	(716,400)	(716,400)
Other comprehensive income that has been reclassified to retained profits	-	-	-	-	402,829	-	(402,829)	-	-	-	-
As at 31 December 2023	25,039,945	19,271,829	4,204,719	18,520,713	699,982	202,488	32,205,365	100,145,041	1,690,695	26,958,398	128,794,134

The accompanying notes form an integral part of these consolidated financial statements.

	Attributable to shareholders of the Company							Non-controlling interests			Total equity
	Reserves							Subtotal	Other equity		
	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)		Ordinary shareholders	instrument investors	
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
Shareholders invested/(reduced) capital											
-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 cash flows

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

	For the year ended 31 December	
	2023	2022
Cash flows from operating activities:		
Profit before income tax	6,092,082	3,049,963
Adjustments for:		
Interest expenses	9,695,409	9,750,535
Share of profit of associates and joint ventures	(577,596)	(745,443)
Depreciation and amortization expenses	869,538	749,507
Net provision for impairment losses	430,945	1,438,119
(Gains)/Loss on disposal of property and equipment and other intangible assets	(1,981)	2,372
Foreign exchange (gains)/losses	(31,489)	61,166
Net investment gains and interest income from financial assets at fair value through other comprehensive income	(4,108,191)	(1,661,696)
Net investment gains and interest income from financial assets measured at amortized cost	(149,334)	(209,682)
Unrealised fair value changes of financial instruments at fair value through profit or loss	(445,418)	3,457,619
Unrealised fair value changes of derivative financial instruments	(1,312,340)	(4,827,586)
Operating cash flows before movements in working capital	10,461,625	11,064,874
Cash flows from operating activities:		
Increase in refundable deposits	(3,705,176)	(2,596,282)
(Increase)/Decrease in margin accounts receivable	(3,108,310)	15,288,815
Decrease in accounts receivable, other receivables and prepayments	27,644,380	18,175,746
Decrease in financial assets held under resale agreements	3,417,579	2,736,562
Decrease/(Increase) in financial instruments at fair value through profit or loss	43,522,335	(11,766,642)
Decrease/(Increase) in derivative financial instruments	738,120	(3,129,567)
Increase/(Decrease) in cash held on behalf of brokerage clients	3,917,909	(2,905,828)
Decrease in accounts payable to brokerage clients	(3,440,266)	(4,427,589)
(Decrease)/Increase in other payables and accruals and other non-current liabilities	(2,445,453)	7,811,731
Decrease in employee benefits payable	(7,948,067)	(7,999,672)
Increase in financial assets sold under repurchase agreements	9,721,199	15,516,614
Decrease in placements from other financial institutions	(1,021,557)	(900,328)
Cash generated from operations	77,754,318	36,868,434
Income taxes paid	(476,363)	(1,776,687)
Interest paid for operating activities	(4,550,789)	(3,627,063)
Net cash generated from operating activities	72,727,166	31,464,684

	Note	For the year ended 31 December	
		2023	2022
Cash flows from investing activities:			
Proceeds from disposal of property and equipment and other intangible assets		21,513	20,656
Dividends received from associates and joint ventures		306,307	479,689
Interest income from financial assets measured at amortized cost		(68,087)	205,528
Net investment gains and interest income from financial assets at fair value through other comprehensive income		3,570,395	1,332,088
Proceeds on disposal of financial assets measured at amortized cost		204,833	887,525
Purchases of property and equipment, other intangible assets and other non-current assets		(585,563)	(466,304)
Disposals of associates and joint ventures		301,912	677,750
Purchases of financial assets at fair value through other comprehensive income		(85,222,029)	(17,285,816)
Increase/(Decrease) in restricted bank deposits		6,053,836	(3,789,990)
Net cash used in investing activities		(75,416,883)	(17,938,874)
Cash flows from financing activities:			
Proceeds from issuance of long-term bonds		34,158,868	39,653,918
Proceeds from issuance of short-term debt instruments		61,841,401	55,035,723
Proceeds from loans and borrowings		879,283	3,243,170
Proceeds from issuance of perpetual bonds		6,884,717	9,789,071
Long-term bonds repaid		(48,027,672)	(48,811,018)
Short-term debt instruments repaid		(55,779,507)	(62,644,889)
Loans and borrowings repaid		(1,763,482)	(4,729,929)
Loans, bonds and debt instruments interest paid		(5,076,850)	(6,207,450)
Dividends paid		(1,475,541)	(2,897,001)
Payment of lease liabilities		(432,150)	(416,231)
Payment of cash related to other financing activities		(28,868)	–
Net cash used in financing activities		(8,819,801)	(17,984,636)
Net decrease in cash and cash equivalents		(11,509,518)	(4,458,826)
Cash and cash equivalents at the beginning of the year		58,260,917	62,780,909
Effect of foreign exchange rate changes		31,489	(61,166)
Cash and cash equivalents at the end of the year	38	46,782,888	58,260,917

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

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 2023.



- Company Profile and Key Financial Indicators
- Report of the Board
- Corporate Governance
- Environmental and Social Responsibility
- Significant Events
- Changes in Shares and Shareholders
- Profile of Bonds

2 Basis of accounting

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the IASB (“IFRS Accounting Standards”). 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 2023 adopted by the Group

For the year ended 31 December 2023, the Group has adopted the following new IFRS and amendments issued by IASB, which were mandatorily effective or early adopted for the current year.

Amendments to IAS 1 and Amendments to IFRS Practice Statement 2, Amendments to IAS 8, Amendments to IAS 12 and IFRS 17 and Amendments.

Amendments to IAS 1 and IFRS Practice Statement 2 set out that immaterial accounting policy information need not be disclosed and provide company with guidance on how to make materiality judgements when preparing financial statements.

Amendments to IAS 8 help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendments to IAS 12 require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

Amendments to IAS 12 give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development’s (“OECD”) international tax reform (Pillar Two Model Rules).

IFRS 17 and Amendments replaces IFRS 4 and sets out principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of IFRS 17.

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 2023.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

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
Amendments to IAS 1	Classification of Liabilities as Current or Non-current, Non-current liabilities with covenants	1 January 2024
Amendments to IAS 7, Amendments to IFRS 7	Supplier finance arrangements	1 January 2024
Amendments to IFRS 16	Sale and leaseback liabilities	1 January 2024
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date has been deferred infinitely

The adoption of the above standards and amendments is expected not to have material impact on the Group's consolidated financial statements.

3 Material accounting policies, material accounting judgements and estimates

(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) Material accounting 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 Material accounting policies, material accounting judgements and estimates (continued)

(2) Material accounting 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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

3 Material accounting policies, material accounting judgements and estimates (continued)

(2) Material accounting 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(7)(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 Material accounting policies, material accounting judgements and estimates (continued)

(2) Material accounting judgements and estimates (continued)

(ii) Assumptions and estimation uncertainties (continued)

Note 3(9) – 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(15) – 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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

3 Material accounting policies, material accounting judgements and estimates (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(7)(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 Material accounting policies, material accounting judgements and estimates (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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

3 Material accounting policies, material accounting judgements and estimates (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(6)) 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(12)), 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(7)). 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 Material accounting policies, material accounting judgements and estimates (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(6)).

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).

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

3 Material accounting policies, material accounting judgements and estimates (continued)

(4) Foreign currency

When the Group receives capital in foreign currencies from investors, the capital is translated to RMB at the spot exchange rate on the date of receipt. Other foreign currency transactions are, on initial recognition, translated to RMB at the spot exchange rates or the rates that approximate the spot exchange rates on the dates of the transactions.

A spot exchange rate is an exchange rate quoted by the People's Bank of China, the State Administrative of Foreign Exchange or a cross rate determined based on quoted exchange rates. A rate that approximates the spot exchange rate is a rate determined under a systematic and rational method, normally the average exchange rate of the current period.

Monetary items denominated in foreign currencies are translated to RMB at the spot exchange rate at the end of the reporting period. The resulting exchange differences are recognized in profit or loss. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated to RMB using the foreign exchange rate at the transaction date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rate at the date the fair value is determined; the resulting exchange differences are recognized in profit or loss, except for the differences arising from the translation of fair value in other comprehensive income, which are recognized as other comprehensive income in capital reserve.

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.

(5) 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.

3 Material accounting policies, material accounting judgements and estimates (continued)

(6) Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI — debt investment; FVOCI — equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

3 Material accounting policies, material accounting judgements and estimates (continued)

(6) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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 Material accounting policies, material accounting judgements and estimates (continued)

(6) 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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

3 Material accounting policies, material accounting judgements and estimates (continued)

(6) 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 Material accounting policies, material accounting judgements and estimates (continued)

(6) 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.

(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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

3 Material accounting policies, material accounting judgements and estimates (continued)

(6) Financial instruments (continued)

(vii) Asset-backed securities

The Group securitises the financial assets, which generally results in the sale of these financial assets to structured entities. The structured entities in turn issue asset-backed securities to investors. Interests in the securitised financial assets may be retained in the form of senior or subordinated tranches, or other residual interests. For asset securitization business, the Group has applied the accounting policies set out in Note 3(3) when assessing consolidation of the structured entities and applied the accounting policies described in Note 3(6)(iii) when assessing whether or not to derecognise the transferred financial assets.

(7) Impairment

(i) Non-derivative financial assets

Financial instruments and contract assets

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group also recognises loss allowances for ECLs on lease receivables, which are disclosed as part of trade and other receivables.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.



3 Material accounting policies, material accounting judgements and estimates (continued)

(7) Impairment (continued)

(i) Non-derivative financial assets (continued)

Financial instruments and contract assets (continued)

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

3 Material accounting policies, material accounting judgements and estimates (continued)

(7) 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 Material accounting policies, material accounting judgements and estimates (continued)

(7) 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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

3 Material accounting policies, material accounting judgements and estimates (continued)

(8) 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.



□	Company Profile and Key Financial Indicators
□	Report of the Board
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3 Material accounting policies, material accounting judgements and estimates (continued)

(8) 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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

3 Material accounting policies, material accounting judgements and estimates (continued)

(8) 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(7)). 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 Material accounting policies, material accounting judgements and estimates (continued)

(9) 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.

(10) 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(6) and 3(7(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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

3 Material accounting policies, material accounting judgements and estimates (continued)

(11) 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.

(12) 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(7)) 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.



<input type="checkbox"/>	Company Profile and Key Financial Indicators
<input type="checkbox"/>	Report of the Board
<input type="checkbox"/>	Corporate Governance
<input type="checkbox"/>	Environmental and Social Responsibility
<input type="checkbox"/>	Significant Events
<input type="checkbox"/>	Changes in Shares and Shareholders
<input type="checkbox"/>	Profile of Bonds

3 Material accounting policies, material accounting judgements and estimates (continued)

(13) 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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

3 Material accounting policies, material accounting judgements and estimates (continued)

(13) 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 Material accounting policies, material accounting judgements and estimates (continued)

(14) 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.

(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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

3 Material accounting policies, material accounting judgements and estimates (continued)

(15) 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 an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit/loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

3 Material accounting policies, material accounting judgements and estimates (continued)

(15) Income tax (continued)

(ii) Deferred tax (continued)

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.

(16) 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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

3 Material accounting policies, material accounting judgements and estimates (continued)

(17) 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.

(18) 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 Material accounting policies, material accounting judgements and estimates (continued)

(18) 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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

3 Material accounting policies, material accounting judgements and estimates (continued)

(18) 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

(19) 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.

(20) 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.

(21) 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 Material accounting policies, material accounting judgements and estimates (continued)

(21) 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.

(22) 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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

3 Material accounting policies, material accounting judgements and estimates (continued)

(23) 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.

(24) 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.

3 Material accounting policies, material accounting judgements and estimates (continued)

(25) Determination method and selection basis of material standard

According to the specific environment in which the Group is situated, the Group judges the materiality of financial information from the nature and amount of the project. In judging the materiality of the nature of the item, the Group mainly considers whether the item belongs to daily activities, whether it significantly affects the financial position, operating results and cash flow of the Group and other factors; In judging the materiality of the amount of the item, the Group considers the proportion of the amount of the item in the total assets, total liabilities, total shareholders' equity, total operating income, total operating cost, net profit, total comprehensive income and other directly related items or the proportion of the amount of the separately listed items in the subordinate 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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

5 Fee and commission income

(1) Revenue streams

	For the year ended 31 December	
	2023	2022
Income from securities brokerage business	4,728,895	5,858,865
Income from underwriting and sponsorship business	1,287,625	1,654,286
Income from futures brokerage business	1,114,448	1,412,477
Income from asset management business	978,718	1,256,975
Income from financial advisory business	209,853	246,351
Income from other business	13,253	–
Total	8,332,792	10,428,954

(2) Disaggregation of revenue

In the following table, fee and commission income are disaggregated by timing of revenue recognition:

	For the year ended 31 December			
	2023		2022	
	At a point in time	Over time	At a point in time	Over time
Income from securities brokerage business	4,650,310	78,585	5,858,865	–
Income from underwriting and sponsorship business	1,267,810	19,815	1,580,222	74,064
Income from futures brokerage business	1,114,448	–	1,412,477	–
Income from asset management business	–	978,718	–	1,256,975
Income from financial advisory business	197,928	11,925	216,153	30,198
Income from other business	–	13,253	–	–
Total	7,230,496	1,102,296	9,067,717	1,361,237

6 Interest income

	For the year ended 31 December	
	2023	2022
Interest income from margin financing and securities lending	3,999,263	4,531,077
Interest income from financial institutions	3,036,037	3,189,321
Interest income from financial instruments at fair value through other comprehensive income	2,270,106	1,548,806
Interest income from securities-backed lending	300,474	118,181
Interest income from other financial assets held under resale agreements	190,373	245,768
Interest income from financial assets measured at amortized cost	149,334	209,682
Others	81,324	–
Total	10,026,911	9,842,835

7 Net investment gains

	For the year ended 31 December	
	2023	2022
Dividend income and interest income from financial instruments at fair value through profit or loss	5,037,198	7,411,325
Dividend income from financial instruments at fair value through other comprehensive income	1,557,290	121,811
Unrealised fair value changes of derivative financial instruments	1,312,340	4,827,586
Net realised gains from disposal of financial instruments at fair value through profit or loss	924,870	(4,902,490)
Unrealised fair value changes of financial instruments at fair value through profit or loss	445,418	(3,457,619)
Net realised gains from disposal of financial instruments at fair value through other comprehensive income	280,795	(8,921)
Net realised losses from disposal of financial assets measured at amortized cost	224,523	(20,054)
Net realised gains from disposal of derivative financial instruments	(808,560)	1,110,295
Total	8,973,874	5,081,933

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

8 Other income and gains

	For the year ended 31 December	
	2023	2022
Income from commodity trading business	3,970,518	5,679,010
Government grants ⁽¹⁾	234,498	269,878
Income from future market	147,077	134,270
Income from tax authorities for individual income tax withheld	123,611	37,783
Rental income	17,164	18,246
Income from disposal of property and equipment	9,275	8,699
Compensation received	2,210	2,004
Miscellaneous ⁽²⁾	78,218	72,081
Total	4,582,571	6,221,971

(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	
	2023	2022
Expenses for securities brokerage business	821,227	1,121,642
Expenses for futures brokerage business	448,809	747,628
Expenses for underwriting and sponsorship business	52,605	20,733
Expenses for asset management business	3,262	5,167
Expenses for financial advisory business	148	179
Total	1,326,051	1,895,349

10 Interest expenses

	For the year ended 31 December	
	2023	2022
Interest expenses for		
– Long-term bonds	4,518,219	5,147,433
– Financial assets sold under repurchase agreements	3,626,071	2,770,237
– Short-term debt instruments issued	438,117	740,026
– Accounts payable to brokerage clients	426,885	484,678
– Other holders of structured entities	222,376	136,059
– Placements from other financial institutions	168,599	225,364
– Lease liabilities	33,880	35,316
– Others	261,262	211,422
Total	9,695,409	9,750,535

11 Staff costs

	For the year ended 31 December	
	2023	2022
Salaries, bonuses and allowances	5,670,021	5,914,807
Contribution to pension schemes	481,909	425,327
Other social welfare	1,573,127	1,380,496
Total	7,725,057	7,720,630

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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

11 Staff costs (continued)

The Group has provided full-time employees in Mainland China and several countries or jurisdictions outside Mainland China 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 2023 and 31 December 2022, 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	
	2023	2022
Depreciation of right-of-use assets	398,574	386,748
Depreciation of property and equipment	239,227	185,302
Amortization of other intangible assets	172,999	134,115
Amortization of long-term deferred expenses	54,252	38,856
Depreciation of investment properties	4,486	4,486
Total	869,538	749,507

13 Other operating expenses

	For the year ended 31 December	
	2023	2022
Cost of commodity trading business	4,192,094	5,743,767
IT expenses	324,820	236,255
Postal and communication expenses	269,813	218,280
Administrative and office operating expenses	223,741	180,700
Rental expenses and utilities	177,401	155,410
Consulting and professional services	173,370	130,437
Fund and asset management scheme distribution expenses	169,117	220,773
Business travel expenses	165,085	75,026
Stock exchanges management fees	159,049	170,402
Investor protection funds and risk reserves for futures business	108,761	97,410
Promotion and entertainment expenses	102,855	71,854
Donation and sponsorship	55,027	54,964
Auditors' remuneration	10,499	14,172
Losses on disposal of property and equipment	7,294	6,327
Compensation paid	4,364	14,390
Foreign exchange gains and losses	(31,489)	61,166
Miscellaneous ⁽¹⁾	107,504	121,036
Total	6,219,305	7,572,369

(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	
	2023	2022
Provision for impairment losses against financial assets at fair value through other comprehensive income	156,717	232,716
Provision for impairment losses against accounts receivable	127,662	442,045
Provision for impairment losses against financial assets measured at amortized cost	79,925	9,693
Provision for impairment losses against margin accounts receivable	24,604	522
(Reversal of)/Provision for impairment losses against cash and bank balances	(3,234)	3,783
(Reversal of)/Provision for impairment losses against other receivables and prepayments	(15,779)	38,349
(Reversal of)/Provision for impairment losses against financial assets held under resale agreements	(28,796)	697,036
Total	341,099	1,424,144

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

15 Income tax expense

(1) Taxation in the consolidated income statement represents:

	For the year ended 31 December	
	2023	2022
Current tax		
– PRC income tax	270,154	455,027
– Hong Kong profits tax	8,298	(12,772)
Total	278,452	442,255
Adjustment in respect of prior years		
– PRC income tax	(17,786)	3,898
Deferred tax		
– Origination of temporary differences	356,213	(535,737)
Total	616,879	(89,584)

(2) Reconciliation between income tax expense and accounting profit at applicable tax rate:

	For the year ended 31 December	
	2023	2022
Profit before income tax	6,092,082	3,049,963
Notional tax calculated using the PRC statutory tax rate	1,523,021	762,491
Tax effect of non-deductible expenses	51,125	72,102
Tax effect of non-taxable income	(1,156,960)	(1,322,255)
Effect of different tax rates of subsidiaries	4,443	62,220
Tax effect of temporary differences or deductible loss in deferred income tax not recognized in the current period	236,180	354,690
Tax effect of recognition of previously unrecognized temporary differences or deductible loss	(23,214)	(22,121)
Adjustment for prior years	(17,786)	3,898
Others	70	(609)
Actual income tax expense	616,879	(89,584)

In December 2021, the Organisation for Economic Co-operation and Development (“OECD”) issued model rules for a new global minimum tax framework (“Pillar Two”), and various governments around the world have issued, or are in the process of issuing, legislation on this. As at 31 December 2023, the government where the Group mainly operates has not yet released draft legislation on Pillar Two. The Group is in the process of assessing the full impact of this.

16 Directors' and supervisors' remuneration

Details of the directors' and supervisors' remuneration are as follows:

Name	2023				
	Directors' fees	Salaries, allowances and benefits in kind	Contribution to pension	Discretionary bonuses	Total
Directors					
Liu Jian ⁽¹⁾	-	1,420	60	-	1,480
Huang Hao ⁽³⁾	-	1,396	84	-	1,480
Ren Xiaotao	-	-	-	-	-
Zhang Yigang	-	-	-	-	-
Zhu Zhilong	-	-	-	-	-
Zhang Ying	-	-	-	-	-
Shao Yalou ⁽⁴⁾	-	-	-	-	-
Independent directors					
Yang Xiaowen	240	-	-	-	240
Wu Changqi	270	-	-	-	270
Chen Hanwen	270	-	-	-	270
Zhao Lei	240	-	-	-	240
Supervisors					
Fang Rongyi	-	1,401	79	-	1,480
Chen Yan	-	-	-	-	-
Jiang Yang	-	-	-	-	-
Li Yan	-	666	66	135	867
Zhou Jie	-	680	67	120	867
Total	1,020	5,563	356	255	7,194

Except for the remuneration shown above, directors and supervisors received the deferred compensation of previous years paid in 2023 is as follows:

Mr. Liu Jian received a deferred bonus of RMB0.1618 million; Mr. Huang Hao received a deferred bonus of RMB2.0564 million; Mr. Fang Rongyi received a deferred bonus of RMB0.9600 million; Ms. Li Yan received a deferred bonus of RMB0.7777 million; Ms. Zhou Jie received a deferred bonus of RMB0.5082 million.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

16 Directors' and supervisors' remuneration (continued)

Details of the directors' and supervisors' remuneration are as follows (continued):

Name	2022				Total
	Directors' fees	Salaries, allowances and benefits in kind	Contribution to pension	Discretionary bonuses	
Directors					
Liu Jian ⁽¹⁾	–	472	21	–	493
Chu Xiaoming ⁽²⁾	–	1,050	63	–	1,113
Huang Hao	–	1,396	85	–	1,481
Ge Rongrong ⁽³⁾	–	–	–	–	–
Ren Xiaotao	–	–	–	–	–
Zhang Yigang	–	–	–	–	–
Zhu Zhilong	–	–	–	–	–
Zhang Ying	–	–	–	–	–
Shao Yalou ⁽⁴⁾	–	–	–	–	–
Independent directors					
Yang Xiaowen	240	–	–	–	240
Wu Changqi	270	–	–	–	270
Chen Hanwen	270	–	–	–	270
Zhao Lei	240	–	–	–	240
Supervisors					
Fang Rongyi	–	1,429	54	–	1,483
Chen Yan	–	–	–	–	–
Jiang Yang	–	–	–	–	–
Li Yan	–	670	63	135	868
Zhou Jie	–	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):

- (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 March 2019 and resigned as director in December 2022.
- (4) Appointed as director in December 2022.

Non-executive directors Ms. Ge Rongrong, Mr. Ren Xiaotao, Mr. Zhang Yigang, Mr. Zhu Zhilong, Ms. Zhangying and Mr. Shao Yalou, supervisors Ms. Chen Yan and Mr. Jiangyang did not receive remuneration from the Company.

There were no amounts paid during the years ended 31 December 2023 and 2022 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 2023 and 2022.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

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	
	2023	2022
Salaries and allowances	5,750	6,932
Discretionary bonuses	24,492	26,545
Employer's contribution to pension schemes	1,016	931
Total	31,258	34,408

The emoluments with the highest emoluments are within the following bands:

	2023 Number of individuals	2022 Number of individuals
HKD6,000,001 to HKD6,500,000	1	–
HKD6,500,001 to HKD7,000,000	2	–
HKD7,000,001 to HKD7,500,000	1	2
HKD7,500,001 to HKD8,000,000	1	1
HKD8,000,001 to HKD8,500,000	–	–
HKD8,500,001 to HKD9,000,000	–	–
HKD9,000,001 to HKD9,500,000	–	2

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 2023 and 2022.

18 Basic and diluted earnings per share

	Note	For the year ended 31 December	
		2023	2022
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)		4,606,340	2,789,068
Basic and diluted earnings per share attributable to equity shareholders of the Company (expressed in RMB yuan per share)		0.18	0.11

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	
	2023	2022
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

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

19 Property and equipment

	Buildings	Motor vehicles	Machinery	Electronic equipment	Furniture and fixtures	Renovation	Construction in progress	Total
Cost								
As at 1 January 2023	1,671,225	46,653	16,378	1,225,690	78,462	119,296	230,151	3,387,855
Additions	-	3,016	-	257,823	7,937	6,405	298,954	574,135
Transfer during the year	2,933	-	-	10,301	402	5,800	(19,436)	-
Disposals	(671)	(8,221)	(1,966)	(161,672)	(10,095)	(3,834)	(293,039)	(479,498)
As at 31 December 2023	1,673,487	41,448	14,412	1,332,142	76,706	127,667	216,630	3,482,492
Accumulated depreciation								
As at 1 January 2023	(899,968)	(38,657)	(14,337)	(864,869)	(63,657)	(85,668)	-	(1,967,156)
Charge for the year	(53,711)	(2,411)	(106)	(174,205)	(2,535)	(6,259)	-	(239,227)
Decreases	34	7,543	1,870	149,463	9,218	3,812	-	171,940
As at 31 December 2023	(953,645)	(33,525)	(12,573)	(889,611)	(56,974)	(88,115)	-	(2,034,443)
Impairment								
As at 1 January 2023	(18,070)	-	-	-	-	-	-	(18,070)
Charge for the year	-	-	-	-	-	-	-	-
As at 31 December 2023	(18,070)	-	-	-	-	-	-	(18,070)
Carrying amount								
As at 31 December 2023	701,772	7,923	1,839	442,531	19,732	39,552	216,630	1,429,979

19 Property and equipment (continued)

	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

As at 31 December 2023 and 31 December 2022, included in buildings, a carrying amount of RMB22,302 thousand and RMB24,912 thousand respectively, for which the Group has yet to obtain the relevant land or building certificates.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

20 Right-of-use assets

	Right-of-use assets
Right-of-use assets	
Cost	
As at 1 January 2023	1,602,505
Increases	509,052
Decreases	(333,168)
As at 31 December 2023	1,778,389
Accumulated depreciation	
As at 1 January 2023	(702,942)
Charge for the year	(398,574)
Decreases	317,757
As at 31 December 2023	(783,759)
Carrying amount	
As at 31 December 2023	994,630

	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

21 Other intangible assets

	Software	Others ⁽¹⁾	Total
Cost			
As at 1 January 2023	983,450	333,654	1,317,104
Additions	204,098	80	204,178
Disposals	(40,036)	(3,906)	(43,942)
As at 31 December 2023	1,147,512	329,828	1,477,340
Accumulated amortization			
As at 1 January 2023	(710,831)	(314,304)	(1,025,135)
Charge for the year	(172,313)	(686)	(172,999)
Decreases	31,958	1,105	33,063
As at 31 December 2023	(851,186)	(313,885)	(1,165,071)
Impairment			
As at 1 January 2023	-	(676)	(676)
As at 31 December 2023	-	(676)	(676)
Carrying amount			
As at 31 December 2023	296,326	15,267	311,593
	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

(1) The carrying amount of others includes trading seats rights, which have indefinite useful lives and are not amortized.

(2) As at 31 December 2023 and 31 December 2022, the Group has no material intangible assets used as collateral or mortgage.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

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 date of incorporation	Type of legal entity	Issued and fully paid-up capital (in thousands)	Effective equity interest held		Principal activities	Auditor ⁽²⁾ and GAAP	
				As at 31 December			As at 31 December	
				2023	2022		2023	2022
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, 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)

Auditors of the respective subsidiaries of the Group are as follows: (continued)

Name of company	Place of incorporation and date of incorporation	Type of legal entity	Issued and fully paid-up capital (in thousands)	Effective equity interest held		Principal activities	Auditor ⁽²⁾ and GAAP	
				As at 31 December			As at 31 December	
				2023	2022		2023	2022
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%	64.90%	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
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
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
Shenwan Hongyuan Investment Co., LTD.* 申萬宏源投資有限公司 ⁽¹⁾	PRC 21 January 2015	Limited Liability Company	RMB0	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

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

22 Investments in subsidiaries (continued)

Auditors of the respective subsidiaries of the Group are as follows: (continued)

Name of company	Place of incorporation and date of incorporation	Type of legal entity	Issued and fully paid-up capital (in thousands)	Effective equity interest held			Auditor ⁽²⁾ and GAAP	
				As at 31 December		Principal activities	As at 31 December	
				2023	2022		2023	2022
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	PwC ZT PRC GAAP
Hongyuan Huizhi Investment Co., Ltd.* 宏源匯智投資有限公司 ⁽¹⁾	PRC 27 March 2012	Limited Liability Company	RMB2,000,000	100%	100%	Investment management	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 July 2013	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

22 Investments in subsidiaries (continued)

Auditors of the respective subsidiaries of the Group are as follows: (continued)

Name of company	Place of incorporation and date of incorporation	Type of legal entity	Issued and fully paid-up capital (in thousands)	Effective equity interest held		Principal activities	Auditor ⁽²⁾ and GAAP	
				As at 31 December			As at 31 December	
				2023	2022		2023	2022
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
Shenyin & Wanguo Jiaotou Integration of Industry (Shanghai) Investment Management CO., Ltd.* 申銀萬國交產融(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
Shenwan Hongyuan Securities Asset Management Co., Ltd.* 申萬宏源證券資產管理有限公司 ⁽²⁾	PRC 20 December 2022	Limited Liability Company	RMB2,500,000	100%	100%	Securities business	PwC ZT PRC GAAP	NA
Chengdu Shenhong Eying Equity Investment Fund Management Co., Ltd.* 成都申宏映影股權投資基金管理有限公司	PRC 27 March 2019	Limited Liability Company	-	-	51%	Investment management	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 2023, 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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

22 Investments in subsidiaries (continued)

- (1) These subsidiaries are directly held by the Company.
- (2) 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.

Shenwan Hongyuan (H.K.) Limited

	As at 31 December	
		2021
NCI percentage	35.10%	35.10%
Assets	11,643,906	14,699,961
Liabilities	9,115,390	12,074,979
Net assets	2,528,516	2,624,982
Carrying amount of NCI	887,509	921,369
Revenue	373,645	122,552
Profit for the year	(173,243)	(755,776)
Other comprehensive income	20,478	(28,763)
Total comprehensive income	(152,765)	(784,539)
Total comprehensive income attributable to NCI	(53,621)	(275,373)
Dividend paid to NCI	-	-
Cash flows used in operating activities	(2,349,932)	(600,477)

22 Investments in subsidiaries (continued)

SWS MU Fund Management Co., Ltd.

	As at 31 December	
	2023	2022
NCI percentage	33.00%	33.00%
Assets	1,626,205	1,604,569
Liabilities	298,209	361,778
Net assets	1,327,996	1,242,791
Carrying amount of NCI	438,329	410,121
Revenue	549,954	637,923
Profit for the year	85,206	133,694
Total comprehensive income	85,206	133,694
Total comprehensive income attributable to NCI	28,118	44,119
Cash flows (used in)/generated from operating activities	(427)	114,284

23 Interest in associates and joint ventures

	As at 31 December 2023	As at 31 December 2022
Share of net assets	4,255,040	4,286,683
Less: Provision for impairment losses	(178,285)	(178,285)
Total	4,076,755	4,108,398

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

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 2023	31 December 2022	
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	RMB20,000	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	15.79%	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	RMB13,673	27.00%	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	51.59%	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 2023	31 December 2022	
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	33.00%	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	RMB380,000	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	RMB228,501	19.96%	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
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	RMB42,910	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	RMB208,000	1.00%	1.00%	Equity management
Shenhong Huichuang Development (Foshan) Equity Investment Partnership (Limited Partnership) 申宏匯創發展(佛山)股權投資合夥企業(有限合夥)	Foshan, Guangdong	RMB80,000	31.00%	31.00%	Equity management

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

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 2023	31 December 2022	
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	24.88%	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	1.00%	0.01%	Equity management
Nanjing Shenhong Zhongyu No.1 Equity Investment Partnership (Limited Partnership) 南京申宏中裕一號股權投資合夥企業(有限合夥)	Nanjing, Jiangsu	RMB0	0.00%	25.05%	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 2023	As at 31 December 2022
Gross amounts of the associate:		
Assets	13,770,413	13,070,529
Liabilities	5,246,417	5,325,337
Net assets	8,523,996	7,745,192
The Group's effective interest	27.775%	27.775%
The Group's share of net assets of the associate	2,367,540	2,151,227
Other adjustments	-	4,784
Carrying amount	2,367,540	2,156,011
	For the year ended 31 December	
	2023	2022
Revenue	6,715,328	7,358,870
Profit for the year	1,813,900	2,066,140
Other comprehensive loss	4,905	30,013
Other adjustments	-	-
Total comprehensive income	1,818,805	2,096,153
Dividend received from the associate	288,860	388,850

As at 31 December 2023 and 31 December 2022, the Group's significant associates and joint ventures are all unlisted companies and there are no public market prices.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

23 Interest in associates and joint ventures (continued)

Aggregated information of associates and joint ventures that are not individually material:

	As at 31 December 2023	As at 31 December 2022
Aggregate carrying amount of individually immaterial associates and joint ventures in the financial report	1,709,215	1,952,387
Aggregate amounts of the Group's share of those associates and joint ventures' profits	78,570	165,415
Aggregate amounts of the Group's share of total comprehensive income	78,570	165,415

24 Financial assets measured at amortized cost

Non-current

	As at 31 December 2023	As at 31 December 2022
Asset management products and others	1,769,645	4,023,165
Debt securities	–	183,289
Less: Provision for impairment losses	(399,283)	(589,853)
Total	1,370,362	3,616,601

Current

	As at 31 December 2023	As at 31 December 2022
Asset management products and others	2,018,668	500,950
Debt securities	186,324	–
Less: Provision for impairment losses	(58,095)	(182)
Total	2,146,897	500,768

25 Financial assets at fair value through other comprehensive income

Non-current

	As at 31 December 2023	As at 31 December 2022
Designated at FVOCI		
– Equity securities not held for trading ⁽¹⁾	70,593,727	353,966
Debt securities	2,579,611	3,850,292
Total	73,173,338	4,204,258
Analysed as:		
Unlisted	71,531,807	4,005,697
Listed inside Hong Kong	935,224	–
Listed outside Hong Kong	706,307	198,561
Total	73,173,338	4,204,258

Current

	As at 31 December 2023	As at 31 December 2022
Designated at FVOCI		
– Equity securities not held for trading ⁽¹⁾	–	1,675,764
Debt securities	70,819,304	50,660,555
Total	70,819,304	52,336,319
Analysed as:		
Unlisted	48,004,793	29,368,554
Listed outside Hong Kong	22,756,817	22,717,622
Listed inside Hong Kong	57,694	250,143
Total	70,819,304	52,336,319

(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 2023, 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 RMB535,877 thousand (For the year ended 31 December 2022, the accumulated net realized gain of the equity instrument disposed of were RMB349,080 thousand).

As at 31 December 2023, the Group has pledged financial assets at fair value through other comprehensive income with a total fair value of RMB27,797,518 thousand for the purpose of repurchase agreement business detailed in Note 45(1) (As at 31 December 2022: RMB29,916,535 thousand).

As at 31 December 2023, the Group has pledged financial assets at fair value through other comprehensive income with a total fair value of RMB4,533,362 thousand for the purpose of bond lending business (As at 31 December 2022: RMB11,196,763 thousand).

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

26 Financial assets held under resale agreements

(1) Analysed by collateral type:

Non-current

	As at 31 December 2023	As at 31 December 2022
Equity securities	2,311,250	5,745,759
Less: Provision for impairment losses	(1,797,739)	(1,829,074)
Total	513,511	3,916,685

Current

	As at 31 December 2023	As at 31 December 2022
Debt securities	4,081,147	13,523,883
Equity securities	20,034	–
Less: Provision for impairment losses	(128)	(204)
Total	4,101,053	13,523,679

(2) Analysed by market:

Non-current

	As at 31 December 2023	As at 31 December 2022
Shenzhen Stock Exchange	2,246,425	4,841,773
Shanghai Stock Exchange	64,825	903,986
Less: Provision for impairment losses	(1,797,739)	(1,829,074)
Total	513,511	3,916,685

Current

	As at 31 December 2023	As at 31 December 2022
Inter-bank market	2,019,639	2,618,362
Shanghai Stock Exchange	1,904,159	10,095,658
Singapore Stock Exchange	157,349	805,606
Shenzhen Stock Exchange	20,034	4,257
Less: Provision for impairment losses	(128)	(204)
Total	4,101,053	13,523,679

27 Financial assets at fair value through profit or loss

Non-current

	As at 31 December 2023	As at 31 December 2022
Equity securities	1,725,693	1,339,646
Debt securities	159,388	615,416
Funds	32,976	30,947
Asset management products and others	11,162,255	12,603,197
Total	13,080,312	14,589,206
Analysed as:		
Unlisted	12,843,213	13,775,354
Listed outside Hong Kong	237,099	813,852
Total	13,080,312	14,589,206

Current

	As at 31 December 2023	As at 31 December 2022
Debt securities	121,510,252	142,615,806
Equity securities	49,789,197	37,524,446
Funds	46,441,856	51,062,002
Hybrid instruments	3,193,264	2,591,718
Asset management products and others	2,473,283	30,635,862
Total	223,407,852	264,429,834
Analysed as:		
Listed outside Hong Kong	124,140,772	90,640,535
Unlisted	93,244,008	168,848,461
Listed inside Hong Kong	6,023,072	4,940,838
Total	223,407,852	264,429,834

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

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 2023, the Group has pledged financial assets at fair value through profit or loss with a total fair value of RMB50,140,693 thousand for the purpose of repurchase agreement business detailed in Note 45 (As at 31 December 2022: RMB118,144,300 thousand).

As at 31 December 2023, the Group has pledged financial assets at fair value through profit or loss with a total fair value of RMB2,224,052 thousand for the purpose of bond lending business (As at 31 December 2022: RMB10,080,095 thousand).

As at 31 December 2023, the equity securities in financial assets at fair value through profit or loss with lock-up periods held by the Group were RMB3,073,911 (As at 31 December 2022: RMB4,729,663).

28 Refundable deposits

	As at 31 December 2023	As at 31 December 2022
Deposits with exchanges and other financial institutions:		
– Trading deposit	16,422,970	19,786,242
– Performance deposit	6,225,624	6,382,311
– Refinancing margin	121,412	285,477
– Credit deposit	42,196	63,348
Total	22,812,202	26,517,378

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 financial assets at fair value through other comprehensive income	Business combination	Others	Total	
			Changes in fair value of financial instruments at fair value through profit or loss	Changes in fair value of financial assets at fair value through other comprehensive income				
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
As at 1 January 2023	756,745	1,093,902	659,021	(965,987)	411,648	464,164	1,036,544	3,456,037
Recognized in profit or loss	48,388	(60,401)	(226,815)	(330,888)	(615)	-	337,527	(232,804)
Recognized in reserves	-	-	-	-	(379,912)	-	-	(379,912)
Reclassified from other comprehensive income to retained profits	-	-	-	-	(134,277)	-	-	(134,277)
As at 31 December 2023	805,133	1,033,501	432,206	(1,296,875)	(103,156)	464,164	1,374,071	2,709,044

(2) Reconciliation to the consolidated statement of financial position

	As at 31 December 2023	As at 31 December 2022
Net deferred tax assets recognized in the consolidated statement of financial position	2,739,571	3,461,424
Net deferred tax liabilities recognized in the consolidated statement of financial position	(30,527)	(5,387)
Total	2,709,044	3,456,037

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

29 Deferred taxation (continued)

(3) Recognized in other comprehensive income

	As at 31 December 2023		
	Before tax	Tax benefit	Net of tax
Financial assets at fair value through other comprehensive income			
– Net changes in fair value	663,730	(128,230)	535,500
– Reclassified to profit or loss	166,454	(43,415)	123,039
Share of other comprehensive income of associates	1,362	–	1,362
Exchange differences on translation of financial statements in foreign currencies	43,643	–	43,643
Equity investment at fair value through other comprehensive income			
– Net changes in fair value	832,996	(208,267)	624,729
Total	1,708,185	(379,912)	1,328,273

	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)

(4) Deferred tax assets not recognized

As at 31 December 2023 and 31 December 2022, 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 RMB3,140,450 thousand and RMB2,163,383 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 2023	As at 31 December 2022
Inventory ^(a)	473,986	473,986
Long-term deferred expenses	131,959	85,921
Other ^(b)	55,557	49,162
Less: Provision for impairment losses ^(a)	(227,978)	(147,569)
Total	433,524	461,500

(a) As of 31 December 2023, 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 Group evaluated the expected cash flow that could be recovered under different scenarios, and made a provision accordingly.

(b) As of 31 December 2023, 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 2023	As at 31 December 2022
At the beginning of the year	85,921	87,046
Additions	14,092	8,753
Transfer in from property and equipment	86,767	28,978
Amortization	(54,252)	(38,856)
Transfer out	(569)	-
At the end of the year	131,959	85,921

31 Accounts receivable

(1) Analysed by nature:

	As at 31 December 2023	As at 31 December 2022
Accounts receivable of:		
– Settlement	4,495,448	4,350,185
– Fee and commission	477,548	188,011
– Asset management plans	550,479	896,761
– Others	1,619,006	672,131
Less: Provision for impairment losses	(974,494)	(858,529)
Total	6,167,987	5,248,559

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

31 Accounts receivable (continued)

(2) Analysed by ageing:

As at 31 December 2023 and 31 December 2022, the ageing analysis of accounts receivable, based on the trade date, is as follows:

	As at 31 December 2023	As at 31 December 2022
Within 1 year	5,865,119	4,642,584
1 to 2 years	42,531	27,203
2 to 3 years	14,393	351,584
Over 3 years	245,944	227,188
Total	6,167,987	5,248,559

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 2023, 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 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).

(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 current assets

	As at 31 December 2023	As at 31 December 2022
Inventory	939,618	396,134
Overdue and impaired receivables	271,908	276,773
Current tax assets	183,981	131,881
Prepayments ^(a)	108,074	158,774
Deposits	79,854	81,279
VAT due from asset management plans	47,879	83,397
Receivables from bond issuers	19,400	130,222
Receivables from commodity business customers	4,850	6,352
Dividends receivables	2,422	–
Interest receivables	1,161	479
Others ^(a)	442,693	426,304
Less: Provision for impairment losses	(322,063)	(358,019)
Total	1,779,777	1,333,576

(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 2023	As at 31 December 2022
Individuals	57,482,569	55,174,988
Institutions	7,348,264	6,502,653
Less: Provision for impairment losses	(402,628)	(378,024)
Total	64,428,205	61,299,617

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

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 2023	As at 31 December 2022
Fair value of collaterals:		
– Stocks	176,390,321	181,501,671
– Cash	6,569,707	7,013,721
– Funds	5,028,704	4,562,122
– Bonds	131,182	312,043
Total	188,119,914	193,389,557

34 Derivative financial instruments

	As at 31 December 2023		
	Nominal Value	Fair value	
		Assets	Liabilities
Equity derivatives	175,336,855	8,770,729	(4,543,916)
Interest rate derivatives	451,123,922	1,182,536	(1,361,306)
Commodity derivatives	81,007,879	207,107	(239,222)
Credit derivatives	6,762,526	14,387	(18,715)
Currency derivatives	1,877,274	32,619	(22,401)
Total	716,108,456	10,207,378	(6,185,560)

	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)

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 2023, the fair value of those unexpired derivative financial instruments contracts was unrealized loss RMB199,385 thousand (31 December 2022: unrealized loss RMB480,673 thousand).

35 Clearing settlement funds

	As at 31 December 2023	As at 31 December 2022
Deposits with stock exchanges		
– China Securities Depository and Clearing Corporation Limited	11,319,652	7,443,982
– Shanghai Gold Exchange	24,560	19,294
– Other institutions	991,466	13,642,965
Total	12,335,678	21,106,241

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 2023	As at 31 December 2022
Cash on hand	68	67
Bank balances	33,455,187	32,100,700
Less: Provision for impairment losses	(1,999)	(5,201)
Total	33,453,256	32,095,566

Bank balances comprise time and demand deposits which bear interest at the prevailing market rates.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

38 Cash and cash equivalents

	As at 31 December 2023	As at 31 December 2022
Cash on hand	68	67
Bank balances	33,250,823	31,968,329
Clearing settlement funds	12,335,678	21,106,241
Bond investment within 3 months original maturity	–	152,739
Financial assets held under resale agreements within 3 months original maturity	4,077,857	13,517,486
Less: restricted bank deposits	(2,881,538)	(8,483,945)
Total	46,782,888	58,260,917

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 2023	As at 31 December 2022
Unsecured bank loans	835,592	1,719,395

40 Short-term debt instruments issued

	Book value as at 1 January 2023	Issuance	Redemption	Book value as at 31 December 2023
Short-term corporate bonds	8,517,128	12,066,054	(8,574,828)	12,008,354
Structured notes	13,534,873	53,286,693	(51,172,193)	15,649,373
Financing notes	–	398,234	–	398,234
Total	22,052,001	65,750,981	(59,747,021)	28,055,961

40 Short-term debt instruments issued (continued)

	Book value as at			Book value as at
	1 January 2022	Issuance	Redemption	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

In 2023, the Group has issued 2,436 tranches of structured notes, and repaid 2,407 tranches of structured notes during the year. As at 31 December 2023, 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 2.15%-6.80%.

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%.

41 Placements from other financial institutions

	As at 31 December 2023	As at 31 December 2022
Placements from banks	1,500,000	3,000,000
Other	940,854	462,411
Total	2,440,854	3,462,411

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

42 Accounts payable to brokerage clients

	As at 31 December 2023	As at 31 December 2022
Clients' deposits for other brokerage trading	88,818,649	90,634,238
Clients' deposits for margin financing and securities lending	8,042,115	9,655,593
Interest payable	9,740	20,939
Total	96,870,504	100,310,770

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 2023	Accrued for the year	Payments made	As at 31 December 2023
Salaries, bonuses and allowance	5,543,690	5,670,021	(5,896,451)	5,317,260
Contribution to pension schemes	3,209	481,909	(479,285)	5,833
Other social welfare	436,886	1,573,127	(1,573,674)	436,339
Total	5,983,785	7,725,057	(7,949,410)	5,759,432

	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

44 Other payables and accruals

	As at 31 December 2023	As at 31 December 2022
Performance bond	38,705,541	31,866,276
Payables to interest holders of consolidated structured entities	15,439,256	11,852,320
Settlement payables	1,937,846	607,088
Trade payables	889,437	46,127
Risk reserve for futures brokerage business	318,971	284,093
Dividend payables	273,072	251,370
Payables on behalf of staff and customer payments	186,513	533,592
Tax payables	181,974	190,134
Accrued expenses	123,749	71,878
Distribution expenses payables	70,375	113,175
Fee and commission payable	61,674	404,061
Payables to the securities and futures investor protection fund	30,690	24,984
Interest and dividend received on behalf of brokerage clients	24,588	24,520
Interest payables	12,343	17,059
Account executive commission payables	4,619	6,392
Proceeds from underwriting securities received on behalf of customers	–	41,100
Others ⁽¹⁾	200,940	66,855
Total	58,461,588	46,401,024

(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 2023	As at 31 December 2022
Debt securities	125,677,418	127,791,532
Fund	26,599,527	14,678,578
Others	10,938,388	11,024,024
Total	163,215,333	153,494,134

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

45 Financial assets sold under repurchase agreements (continued)

(2) Analysed by market:

	As at 31 December 2023	As at 31 December 2022
Inter-bank market	78,942,790	74,958,673
Stock exchanges	69,054,529	58,329,800
OTC market	10,938,388	11,024,024
Futures exchanges	4,279,626	9,181,637
Total	163,215,333	153,494,134

46 Lease liabilities

Non-current

	As at 31 December 2023	As at 31 December 2022
Lease liabilities	645,826	555,643

Current

	As at 31 December 2023	As at 31 December 2022
Lease liabilities	369,687	370,363

47 Financial liabilities at fair value through profit or loss

Current

	As at 31 December 2023	As at 31 December 2022
Financial liabilities held for trading		
– Debt securities	3,222,386	3,735,583
– Equities	1,469	19,696
Financial liabilities designated at fair value through profit or loss		
– Structured notes	2,451,364	1,711,925
– Others	19,087	33,795
Total	5,694,306	5,500,999

48 Long-term bonds

As at 31 December 2023

Name	Par value	Issuance date	Due date	Issue amount	Nominal interest rate
	Original currency			Original currency	
17ShenZheng02 ⁽¹⁾	500,000	2017/2/17	2024/2/17	500,000	4.50%
18ShenHong01 ⁽²⁾	500,000	2018/7/13	2023/7/17	500,000	3.20%
18ShenHong02 ⁽³⁾	6,500,000	2018/7/13	2023/7/17	6,500,000	4.80%
18ShenZheng03 ⁽⁴⁾	1,500,000	2018/12/10	2023/12/10	1,500,000	4.08%
20ShenZheng02 ⁽⁵⁾	2,000,000	2020/1/16	2023/1/16	2,000,000	3.55%
20ShenZheng04 ⁽⁶⁾	3,000,000	2020/2/21	2023/2/21	3,000,000	3.20%
20ShenZheng06 ⁽⁷⁾	4,100,000	2020/7/27	2023/7/27	4,100,000	3.49%
20ShenZheng08 ⁽⁸⁾	3,200,000	2020/9/10	2023/9/10	3,200,000	3.76%
20ShenZheng10 ⁽⁹⁾	5,700,000	2020/10/26	2023/10/26	5,700,000	3.68%
20ShenZhengC2 ⁽¹⁰⁾	6,000,000	2020/4/23	2023/4/23	6,000,000	3.18%
20ShenZhengC3 ⁽¹¹⁾	6,000,000	2020/5/25	2023/5/25	6,000,000	3.25%
21ShenHong01 ⁽¹²⁾	1,500,000	2021/3/4	2026/3/8	1,500,000	3.68%
21ShenHong02 ⁽¹³⁾	500,000	2021/3/4	2028/3/8	500,000	3.95%
21ShenHong04 ⁽¹⁴⁾	3,000,000	2021/7/13	2028/7/15	3,000,000	3.65%
21ShenHong05 ⁽¹⁵⁾	500,000	2021/8/2	2024/8/4	500,000	2.99%
21ShenHong06 ⁽¹⁶⁾	2,500,000	2021/8/2	2026/8/4	2,500,000	3.38%
21ShenZheng01 ⁽¹⁷⁾	2,500,000	2021/4/29	2024/4/29	2,500,000	3.45%
21ShenZheng02 ⁽¹⁸⁾	2,000,000	2021/4/29	2031/4/29	2,000,000	4.05%
21ShenZheng03 ⁽¹⁹⁾	2,600,000	2021/5/24	2026/5/24	2,600,000	3.63%
21ShenZheng04 ⁽²⁰⁾	2,000,000	2021/5/28	2024/5/28	2,000,000	3.27%
21ShenZheng05 ⁽²¹⁾	2,500,000	2021/5/28	2031/5/28	2,500,000	4.00%
21ShenZheng06 ⁽²²⁾	2,000,000	2021/7/21	2024/7/21	2,000,000	3.13%
21ShenZheng07 ⁽²³⁾	3,000,000	2021/7/21	2031/7/21	3,000,000	3.77%
21ShenZheng08 ⁽²⁴⁾	2,800,000	2021/7/28	2024/7/28	2,800,000	3.04%
21ShenZheng09 ⁽²⁵⁾	4,200,000	2021/7/28	2026/7/28	4,200,000	3.38%
21ShenZheng10 ⁽²⁶⁾	3,000,000	2021/8/26	2024/8/26	3,000,000	3.02%
21ShenZheng11 ⁽²⁷⁾	3,000,000	2021/8/26	2031/8/26	3,000,000	3.75%
21ShenZheng12 ⁽²⁸⁾	4,800,000	2021/9/9	2024/9/9	4,800,000	3.05%
21ShenZheng13 ⁽²⁹⁾	1,000,000	2021/9/9	2026/9/9	1,000,000	3.40%
21ShenZheng14 ⁽³⁰⁾	2,300,000	2021/9/22	2023/9/22	2,300,000	2.95%
21ShenZheng15 ⁽³¹⁾	2,300,000	2021/9/22	2024/9/22	2,300,000	3.10%
21ShenZhengC1 ⁽³²⁾	3,000,000	2021/1/21	2024/1/21	3,000,000	3.93%
21ShenZhengC2 ⁽³³⁾	3,800,000	2021/3/11	2024/3/11	3,800,000	3.94%
21ShenZhengC3 ⁽³⁴⁾	1,800,000	2021/12/27	2023/12/27	1,800,000	3.08%
21ShenZhengC4 ⁽³⁵⁾	1,200,000	2021/12/27	2024/12/27	1,200,000	3.20%
22ShenHong01 ⁽³⁶⁾	1,800,000	2022/3/4	2025/3/8	1,800,000	3.11%

Notes to the consolidated financial statements (continued)

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(In RMB thousands, unless otherwise stated)

48 Long-term bonds (continued)

As at 31 December 2023 (continued)

Name	Par value		Issuance date	Due date	Issue amount	
	Original currency				Original currency	Nominal interest rate
22ShenHong02 ⁽³⁷⁾	1,200,000		2022/3/4	2027/3/8	1,200,000	3.50%
22ShenHong03 ⁽³⁸⁾	3,000,000		2022/4/22	2025/4/26	3,000,000	3.06%
22ShenHong04 ⁽³⁹⁾	1,000,000		2022/4/22	2027/4/26	1,000,000	3.45%
22ShenHong06 ⁽⁴⁰⁾	2,550,000		2022/8/26	2032/8/30	2,550,000	3.56%
22ShenZheng01 ⁽⁴¹⁾	5,000,000		2022/1/21	2025/1/21	5,000,000	2.80%
22ShenZheng02 ⁽⁴²⁾	2,400,000		2022/1/21	2032/1/21	2,400,000	3.60%
22ShenZheng03 ⁽⁴³⁾	2,200,000		2022/2/23	2025/2/23	2,200,000	2.95%
22ShenZheng05 ⁽⁴⁴⁾	3,500,000		2022/3/24	2025/3/24	3,500,000	3.18%
22ShenZheng06 ⁽⁴⁵⁾	2,100,000		2022/3/24	2027/3/24	2,100,000	3.53%
22ShenZheng07 ⁽⁴⁶⁾	1,800,000		2022/5/23	2025/5/23	1,800,000	2.78%
22ShenZheng08 ⁽⁴⁷⁾	2,200,000		2022/5/23	2027/5/23	2,200,000	3.20%
22ShenZhengC1 ⁽⁴⁸⁾	3,000,000		2022/4/27	2025/4/27	3,000,000	3.19%
23ShenZhengC1 ⁽⁴⁹⁾	1,400,000		2023/3/6	2025/3/6	1,400,000	3.35%
23ShenZhengC2 ⁽⁵⁰⁾	1,300,000		2023/3/6	2026/3/6	1,300,000	3.55%
23ShenZhengC3 ⁽⁵¹⁾	2,300,000		2023/3/27	2026/3/27	2,300,000	3.38%
23ShenZheng01 ⁽⁵²⁾	800,000		2023/4/14	2025/4/14	800,000	2.85%
23ShenZheng02 ⁽⁵³⁾	2,000,000		2023/4/14	2026/4/14	2,000,000	2.99%
23ShenHong02 ⁽⁵⁴⁾	5,000,000		2023/6/12	2028/6/14	5,000,000	3.49%
23ShenZheng03 ⁽⁵⁵⁾	2,200,000		2023/8/17	2025/8/17	2,200,000	2.50%
23ShenZheng04 ⁽⁵⁶⁾	1,800,000		2023/8/17	2026/8/17	1,800,000	2.67%
23ShenZheng05 ⁽⁵⁷⁾	500,000		2023/8/30	2025/8/30	500,000	2.56%
23ShenZheng06 ⁽⁵⁸⁾	1,500,000		2023/8/30	2028/8/30	1,500,000	2.95%
23ShenHong03 ⁽⁵⁹⁾	1,600,000		2023/9/1	2028/9/5	1,600,000	2.49%
23ShenHong04 ⁽⁶⁰⁾	800,000		2023/9/1	2033/9/5	800,000	2.85%
23ShenZheng07 ⁽⁶¹⁾	2,800,000		2023/9/21	2025/9/21	2,800,000	2.80%
23ShenZheng08 ⁽⁶²⁾	2,100,000		2023/9/21	2028/9/21	2,100,000	3.14%
23ShenZhengC4 ⁽⁶³⁾	1,600,000		2023/12/8	2028/12/8	1,600,000	3.35%
21Shenwan Hongyuan International Finance Limited US dollar Bond ⁽⁶⁴⁾	500,000		2021/7/14	2026/7/14	–	1.80%
22Shenwan Hongyuan International Finance Limited US dollar bond ⁽⁶⁵⁾	300,000		2022/3/16	2025/3/16	–	2.63%
Structured Notes ⁽⁶⁶⁾	15,750,996		Note 66	Note 66	15,750,996	2.70%-3.15%

48 Long-term bonds (continued)
As at 31 December 2023 (continued)

Name	Book value	Increase	Amount of amortization	Decrease	Book value
	as at 1 January 2023				as at 31 December 2023
17ShenZheng02 ⁽¹⁾	500,000	-	-	-	500,000
18ShenHong01 ⁽²⁾	32,501	-	-	(32,501)	-
18ShenHong02 ⁽³⁾	6,499,987	-	-	(6,499,987)	-
18ShenZheng03 ⁽⁴⁾	1,500,000	-	-	(1,500,000)	-
20ShenZheng02 ⁽⁵⁾	1,999,987	-	-	(1,999,987)	-
20ShenZheng04 ⁽⁶⁾	3,000,000	-	-	(3,000,000)	-
20ShenZheng06 ⁽⁷⁾	4,100,000	-	-	(4,100,000)	-
20ShenZheng08 ⁽⁸⁾	3,196,874	-	-	(3,196,874)	-
20ShenZheng10 ⁽⁹⁾	5,693,415	-	-	(5,693,415)	-
20ShenZhengC2 ⁽¹⁰⁾	5,999,132	-	-	(5,999,132)	-
20ShenZhengC3 ⁽¹¹⁾	5,999,442	-	-	(5,999,442)	-
21ShenHong01 ⁽¹²⁾	1,500,000	-	-	-	1,500,000
21ShenHong02 ⁽¹³⁾	500,000	-	-	-	500,000
21ShenHong04 ⁽¹⁴⁾	3,000,000	-	-	-	3,000,000
21ShenHong05 ⁽¹⁵⁾	500,000	-	-	-	500,000
21ShenHong06 ⁽¹⁶⁾	2,500,000	-	-	-	2,500,000
21ShenZheng01 ⁽¹⁷⁾	2,497,318	-	1,990	-	2,499,308
21ShenZheng02 ⁽¹⁸⁾	1,996,011	-	478	-	1,996,489
21ShenZheng03 ⁽¹⁹⁾	2,595,882	-	1,205	-	2,597,087
21ShenZheng04 ⁽²⁰⁾	1,997,728	-	1,592	-	1,999,320
21ShenZheng05 ⁽²¹⁾	2,494,966	-	597	-	2,495,563
21ShenZheng06 ⁽²²⁾	1,997,267	-	1,759	-	1,999,026
21ShenZheng07 ⁽²³⁾	2,993,223	-	792	-	2,994,015
21ShenZheng08 ⁽²⁴⁾	2,797,932	-	1,279	-	2,799,211
21ShenZheng09 ⁽²⁵⁾	4,190,016	-	2,794	-	4,192,810
21ShenZheng10 ⁽²⁶⁾	2,993,875	-	3,708	-	2,997,583
21ShenZheng11 ⁽²⁷⁾	2,990,371	-	1,112	-	2,991,483
21ShenZheng12 ⁽²⁸⁾	4,792,713	-	4,311	-	4,797,024
21ShenZheng13 ⁽²⁹⁾	998,011	-	539	-	998,550
21ShenZheng14 ⁽³⁰⁾	2,296,469	-	-	(2,296,469)	-
21ShenZheng15 ⁽³¹⁾	2,294,387	-	3,252	-	2,297,639
21ShenZhengC1 ⁽³²⁾	2,995,522	-	4,245	-	2,999,767
21ShenZhengC2 ⁽³³⁾	3,793,597	-	5,373	-	3,798,970
21ShenZhengC3 ⁽³⁴⁾	1,796,232	-	-	(1,796,232)	-
21ShenZhengC4 ⁽³⁵⁾	1,196,625	-	1,697	-	1,198,322
22ShenHong01 ⁽³⁶⁾	1,800,000	-	-	-	1,800,000

Notes to the consolidated financial statements (continued)

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(In RMB thousands, unless otherwise stated)

48 Long-term bonds (continued)

As at 31 December 2023 (continued)

Name	Book value	Increase	Amount of amortization	Decrease	Book value
	as at 1 January 2023				as at 31 December 2023
22ShenHong02 ⁽³⁷⁾	1,200,000	-	-	-	1,200,000
22ShenHong03 ⁽³⁸⁾	3,000,000	-	-	-	3,000,000
22ShenHong04 ⁽³⁹⁾	1,000,000	-	-	-	1,000,000
22ShenHong06 ⁽⁴⁰⁾	2,550,000	-	-	-	2,550,000
22ShenZheng01 ⁽⁴¹⁾	4,991,789	-	3,990	-	4,995,779
22ShenZheng02 ⁽⁴²⁾	2,394,791	-	575	-	2,395,366
22ShenZheng03 ⁽⁴³⁾	2,195,285	-	2,160	-	2,197,445
22ShenZheng05 ⁽⁴⁴⁾	3,492,500	-	3,304	-	3,495,804
22ShenZheng06 ⁽⁴⁵⁾	2,094,867	-	1,146	-	2,096,013
22ShenZheng07 ⁽⁴⁶⁾	1,795,823	-	1,713	-	1,797,536
22ShenZheng08 ⁽⁴⁷⁾	2,194,366	-	1,214	-	2,195,580
22ShenZhengC1 ⁽⁴⁸⁾	2,990,049	-	4,199	-	2,994,248
23ShenZhengC1 ⁽⁴⁹⁾	-	1,398,029	-	-	1,398,029
23ShenZhengC2 ⁽⁵⁰⁾	-	1,297,741	-	-	1,297,741
23ShenZhengC3 ⁽⁵¹⁾	-	2,295,418	-	-	2,295,418
23ShenZheng01 ⁽⁵²⁾	-	798,839	-	-	798,839
23ShenZheng02 ⁽⁵³⁾	-	1,996,561	-	-	1,996,561
23ShenHong02 ⁽⁵⁴⁾	-	4,997,301	-	-	4,997,301
23ShenZheng03 ⁽⁵⁵⁾	-	2,195,663	-	-	2,195,663
23ShenZheng04 ⁽⁵⁶⁾	-	1,796,177	-	-	1,796,177
23ShenZheng05 ⁽⁵⁷⁾	-	495,682	-	-	495,682
23ShenZheng06 ⁽⁵⁸⁾	-	1,496,582	-	-	1,496,582
23ShenHong03 ⁽⁵⁹⁾	-	1,600,000	-	-	1,600,000
23ShenHong04 ⁽⁶⁰⁾	-	800,000	-	-	800,000
23ShenZheng07 ⁽⁶¹⁾	-	2,789,731	-	-	2,789,731
23ShenZheng08 ⁽⁶²⁾	-	2,091,546	-	-	2,091,546
23ShenZhengC4 ⁽⁶³⁾	-	1,593,290	-	-	1,593,290
21Shenwan Hongyuan International Finance Limited US dollar Bond ⁽⁶⁴⁾	3,467,878	-	61,206	-	3,529,084
22Shenwan Hongyuan International Finance Limited US dollar bond ⁽⁶⁵⁾	2,083,374	-	37,070	-	2,120,444
Structured Notes ⁽⁶⁶⁾	14,999,615	6,527,810	-	(5,776,429)	15,750,996
Interest payables	2,584,740	4,076,369	-	(4,345,226)	2,315,883
Total	151,064,560	38,246,739	153,300	(52,235,694)	137,228,905

48 Long-term bonds (continued)

As at 31 December 2022

Name	Par value		Issuance date	Due date	Issue amount	
	Original currency	Original currency			Original currency	Nominal interest rate
17ShenZheng01	7,500,000		2017/2/17	2022/2/17	7,500,000	4.40%
17ShenZheng02 ⁽¹⁾	500,000		2017/2/17	2024/2/17	500,000	4.50%
18ShenHong01 ⁽²⁾	500,000		2018/7/13	2023/7/17	500,000	3.20%
18ShenHong02 ⁽³⁾	6,500,000		2018/7/13	2023/7/17	6,500,000	4.80%
18ShenZheng03 ⁽⁴⁾	1,500,000		2018/12/10	2023/12/10	1,500,000	4.08%
19ShenHong01	1,000,000		2019/3/8	2022/3/8	1,000,000	4.18%
19ShenHong02	3,200,000		2019/4/12	2022/4/12	3,200,000	4.27%
19ShenHong04	5,800,000		2019/10/23	2024/10/25	5,800,000	3.94%
19ShenZheng01	2,200,000		2019/1/16	2022/1/16	2,200,000	3.55%
19ShenZheng03	6,200,000		2019/3/11	2022/3/11	6,200,000	3.68%
19ShenZheng05	8,100,000		2019/5/9	2022/5/9	8,100,000	3.88%
19Shenwan Hongyuan financial bond01	6,000,000		2019/9/18	2022/9/18	5,996,156	3.43%
20ShenZheng01	4,000,000		2020/1/16	2022/1/16	4,000,000	3.40%
20ShenZheng02 ⁽⁵⁾	2,000,000		2020/1/16	2023/1/16	2,000,000	3.55%
20ShenZheng03	1,000,000		2020/2/21	2022/2/21	1,000,000	3.03%
20ShenZheng04 ⁽⁶⁾	3,000,000		2020/2/21	2023/2/21	3,000,000	3.20%
20ShenZheng06 ⁽⁷⁾	4,100,000		2020/7/27	2023/7/27	4,100,000	3.49%
20ShenZheng08 ⁽⁸⁾	3,200,000		2020/9/10	2023/9/10	3,200,000	3.76%
20ShenZheng10 ⁽⁹⁾	5,700,000		2020/10/26	2023/10/26	5,700,000	3.68%
20ShenZheng12	17,000,000		2020/11/16	2022/11/16	1,700,000	3.55%
20ShenZhengC2 ⁽¹⁰⁾	6,000,000		2020/4/23	2023/4/23	6,000,000	3.18%
20ShenZhengC3 ⁽¹¹⁾	6,000,000		2020/5/25	2023/5/25	6,000,000	3.25%
21ShenHong01 ⁽¹²⁾	1,500,000		2021/3/4	2026/3/8	1,500,000	3.68%
21ShenHong02 ⁽¹³⁾	500,000		2021/3/4	2028/3/8	500,000	3.95%
21ShenHong04 ⁽¹⁴⁾	3,000,000		2021/7/13	2028/7/15	3,000,000	3.65%
21ShenHong05 ⁽¹⁵⁾	500,000		2021/8/2	2024/8/4	500,000	2.99%
21ShenHong06 ⁽¹⁶⁾	2,500,000		2021/8/2	2026/8/4	2,500,000	3.38%
21ShenZheng01 ⁽¹⁷⁾	2,500,000		2021/4/29	2024/4/29	2,500,000	3.45%
21ShenZheng02 ⁽¹⁸⁾	2,000,000		2021/4/29	2031/4/29	2,000,000	4.05%
21ShenZheng03 ⁽¹⁹⁾	2,600,000		2021/5/24	2026/5/24	2,600,000	3.63%
21ShenZheng04 ⁽²⁰⁾	2,000,000		2021/5/28	2024/5/28	2,000,000	3.27%
21ShenZheng05 ⁽²¹⁾	2,500,000		2021/5/28	2031/5/28	2,500,000	4.00%
21ShenZheng06 ⁽²²⁾	2,000,000		2021/7/21	2024/7/21	2,000,000	3.13%
21ShenZheng07 ⁽²³⁾	3,000,000		2021/7/21	2031/7/21	3,000,000	3.77%
21ShenZheng08 ⁽²⁴⁾	2,800,000		2021/7/28	2024/7/28	2,800,000	3.04%
21ShenZheng09 ⁽²⁵⁾	4,200,000		2021/7/28	2026/7/28	4,200,000	3.38%

Notes to the consolidated financial statements (continued)

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(In RMB thousands, unless otherwise stated)

48 Long-term bonds (continued)

As at 31 December 2022 (continued)

Name	Par value		Issuance date	Due date	Issue amount	
	Original currency				Original currency	Nominal interest rate
21ShenZheng10 ⁽²⁶⁾	3,000,000		2021/8/26	2024/8/26	3,000,000	3.02%
21ShenZheng11 ⁽²⁷⁾	3,000,000		2021/8/26	2031/8/26	3,000,000	3.75%
21ShenZheng12 ⁽²⁸⁾	4,800,000		2021/9/9	2024/9/9	4,800,000	3.05%
21ShenZheng13 ⁽²⁹⁾	1,000,000		2021/9/9	2026/9/9	1,000,000	3.40%
21ShenZheng14 ⁽³⁰⁾	2,300,000		2021/9/22	2023/9/22	2,300,000	2.95%
21ShenZheng15 ⁽³¹⁾	2,300,000		2021/9/22	2024/9/22	2,300,000	3.10%
21ShenZhengC1 ⁽³²⁾	3,000,000		2021/1/21	2024/1/21	3,000,000	3.93%
21ShenZhengC2 ⁽³³⁾	3,800,000		2021/3/11	2024/3/11	3,800,000	3.94%
21ShenZhengC3 ⁽³⁴⁾	1,800,000		2021/12/27	2023/12/27	1,800,000	3.08%
21ShenZhengC4 ⁽³⁵⁾	1,200,000		2021/12/27	2024/12/27	1,200,000	3.20%
22ShenHong01 ⁽³⁶⁾	1,800,000		2022/3/4	2025/3/8	1,800,000	3.11%
22ShenHong02 ⁽³⁷⁾	1,200,000		2022/3/4	2027/3/8	1,200,000	3.50%
22ShenHong03 ⁽³⁸⁾	3,000,000		2022/4/22	2025/4/26	3,000,000	3.06%
22ShenHong04 ⁽³⁹⁾	1,000,000		2022/4/22	2027/4/26	1,000,000	3.45%
22ShenHong06 ⁽⁴⁰⁾	2,550,000		2022/8/26	2027/8/30	2,550,000	3.56%
22ShenZheng01 ⁽⁴¹⁾	5,000,000		2022/1/21	2025/1/21	5,000,000	2.80%
22ShenZheng02 ⁽⁴²⁾	2,400,000		2022/1/21	2032/1/21	2,400,000	3.60%
22ShenZheng03 ⁽⁴³⁾	2,200,000		2022/2/23	2025/2/23	2,200,000	2.95%
22ShenZheng05 ⁽⁴⁴⁾	3,500,000		2022/3/24	2025/3/24	3,500,000	3.18%
22ShenZheng06 ⁽⁴⁵⁾	2,100,000		2022/3/24	2027/3/24	2,100,000	3.53%
22ShenZheng07 ⁽⁴⁶⁾	1,800,000		2022/5/23	2025/5/23	1,800,000	2.78%
22ShenZheng08 ⁽⁴⁷⁾	2,200,000		2022/5/23	2027/5/23	2,200,000	3.20%
22ShenZhengC1 ⁽⁴⁸⁾	3,000,000		2022/4/27	2025/4/27	3,000,000	3.19%
21Shenwan Hongyuan International Finance Limited US dollar Bond ⁽⁶⁴⁾	500,000		2021/7/14	2026/7/14	499,095	1.80%
22Shenwan Hongyuan International Finance Limited US dollar bond ⁽⁶⁵⁾	300,000		2022/3/16	2025/3/16	299,967	2.63%
Structured Notes ⁽⁶⁶⁾	14,999,615		Note 66	Note 66	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
17ShenZheng01	7,500,000	–	–	(7,500,000)	–
17ShenZheng02 ⁽¹⁾	500,000	–	–	–	500,000
18ShenHong01 ⁽²⁾	32,501	–	–	–	32,501
18ShenHong02 ⁽³⁾	6,499,977	–	10	–	6,499,987
18ShenZheng03 ⁽⁴⁾	1,500,000	–	–	–	1,500,000
19ShenHong01	999,985	–	–	(999,985)	–
19ShenHong02	3,200,000	–	–	(3,200,000)	–
19ShenHong04	5,800,000	–	–	(5,800,000)	–
19ShenZheng01	2,200,000	–	–	(2,200,000)	–
19ShenZheng03	6,200,000	–	–	(6,200,000)	–
19ShenZheng05	8,100,000	–	–	(8,100,000)	–
19Shenwan Hongyuan financial bond01	5,998,992	–	–	(5,998,992)	–
20ShenZheng01	3,999,961	–	–	(3,999,961)	–
20ShenZheng02 ⁽⁵⁾	1,999,673	–	314	–	1,999,987
20ShenZheng03	1,000,000	–	–	(1,000,000)	–
20ShenZheng04 ⁽⁶⁾	3,000,000	–	–	–	3,000,000
20ShenZheng06 ⁽⁷⁾	4,100,000	–	–	–	4,100,000
20ShenZheng08 ⁽⁸⁾	3,192,345	–	4,529	–	3,196,874
20ShenZheng10 ⁽⁹⁾	5,685,349	–	8,066	–	5,693,415
20ShenZheng12	1,696,846	–	–	(1,696,846)	–
20ShenZhengC2 ⁽¹⁰⁾	5,996,301	–	2,831	–	5,999,132
20ShenZhengC3 ⁽¹¹⁾	5,998,027	–	1,415	–	5,999,442
21ShenHong01 ⁽¹²⁾	1,500,000	–	–	–	1,500,000
21ShenHong02 ⁽¹³⁾	500,000	–	–	–	500,000
21ShenHong04 ⁽¹⁴⁾	3,000,000	–	–	–	3,000,000
21ShenHong05 ⁽¹⁵⁾	500,000	–	–	–	500,000
21ShenHong06 ⁽¹⁶⁾	2,500,000	–	–	–	2,500,000
21ShenZheng01 ⁽¹⁷⁾	2,495,329	–	1,989	–	2,497,318
21ShenZheng02 ⁽¹⁸⁾	1,995,533	–	478	–	1,996,011
21ShenZheng03 ⁽¹⁹⁾	2,594,677	–	1,205	–	2,595,882
21ShenZheng04 ⁽²⁰⁾	1,996,136	–	1,592	–	1,997,728
21ShenZheng05 ⁽²¹⁾	2,494,369	–	597	–	2,494,966
21ShenZheng06 ⁽²²⁾	1,995,508	–	1,759	–	1,997,267
21ShenZheng07 ⁽²³⁾	2,992,431	–	792	–	2,993,223
21ShenZheng08 ⁽²⁴⁾	2,796,654	–	1,278	–	2,797,932

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

48 Long-term bonds (continued)

As at 31 December 2022 (continued)

Name	Book value as at			Amount of amortization	Decrease	Book value as at
	1 January 2022	Increase				31 December 2022
21ShenZheng09 ⁽²⁵⁾	4,187,221	–	2,795	–	4,190,016	
21ShenZheng10 ⁽²⁶⁾	2,990,168	–	3,707	–	2,993,875	
21ShenZheng11 ⁽²⁷⁾	2,989,258	–	1,113	–	2,990,371	
21ShenZheng12 ⁽²⁸⁾	4,788,402	–	4,311	–	4,792,713	
21ShenZheng13 ⁽²⁹⁾	997,472	–	539	–	998,011	
21ShenZheng14 ⁽³⁰⁾	2,291,587	–	4,882	–	2,296,469	
21ShenZheng15 ⁽³¹⁾	2,291,136	–	3,251	–	2,294,387	
21ShenZhengC1 ⁽³²⁾	2,991,277	–	4,245	–	2,995,522	
21ShenZhengC2 ⁽³³⁾	3,788,225	–	5,372	–	3,793,597	
21ShenZhengC3 ⁽³⁴⁾	1,792,411	–	3,821	–	1,796,232	
21ShenZhengC4 ⁽³⁵⁾	1,194,929	–	1,696	–	1,196,625	
22ShenHong01 ⁽³⁶⁾	–	1,800,000	–	–	1,800,000	
22ShenHong02 ⁽³⁷⁾	–	1,200,000	–	–	1,200,000	
22ShenHong03 ⁽³⁸⁾	–	3,000,000	–	–	3,000,000	
22ShenHong04 ⁽³⁹⁾	–	1,000,000	–	–	1,000,000	
22ShenHong06 ⁽⁴⁰⁾	–	2,550,000	–	–	2,550,000	
22ShenZheng01 ⁽⁴¹⁾	–	4,991,789	–	–	4,991,789	
22ShenZheng02 ⁽⁴²⁾	–	2,394,791	–	–	2,394,791	
22ShenZheng03 ⁽⁴³⁾	–	2,195,285	–	–	2,195,285	
22ShenZheng05 ⁽⁴⁴⁾	–	3,492,500	–	–	3,492,500	
22ShenZheng06 ⁽⁴⁵⁾	–	2,094,867	–	–	2,094,867	
22ShenZheng07 ⁽⁴⁶⁾	–	1,795,823	–	–	1,795,823	
22ShenZheng08 ⁽⁴⁷⁾	–	2,194,366	–	–	2,194,366	
22ShenZhengC1 ⁽⁴⁸⁾	–	2,990,049	–	–	2,990,049	
21Shenwan Hongyuan International Finance Limited US dollar Bond ⁽⁶⁴⁾	3,171,356	–	296,522	–	3,467,878	
22Shenwan Hongyuan International Finance Limited US dollar bond ⁽⁶⁵⁾	–	2,083,374	–	–	2,083,374	
Structured Notes ⁽⁶⁶⁾	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 2022 (continued)

	As at 31 December 2023	As at 31 December 2022
Long-term bonds due within one year	34,371,888	44,451,669
Long-term bonds due after one year	102,857,017	106,612,891
Total	137,228,905	151,064,560

As approved by the Board and related regulatory authorities, the Group has issued the following bonds:

- (1) 7-year corporate bond amounting to RMB0.5 billion on 17 February 2017.
- (2) 5-year corporate bond amounting to RMB0.5 billion on 17 July 2018 with put option on 17 July 2021.
- (3) 5-year corporate bond amounting to RMB6.5 billion on 17 July 2018.
- (4) 5-year corporate bond amounting to RMB1.5 billion on 10 December 2018.
- (5) 3-year corporate bond amounting to RMB2.0 billion on 16 January 2020.
- (6) 3-year corporate bond amounting to RMB3.0 billion on 21 February 2020.
- (7) 3-year corporate bond amounting to RMB4.1 billion on 27 July 2020.
- (8) 3-year corporate bond amounting to RMB3.2 billion on 10 September 2020.
- (9) 3-year corporate bond amounting to RMB5.7 billion on 26 October 2020.
- (10) 3-year subordinated bond amounting to RMB6.0 billion on 23 April 2020.
- (11) 3-year subordinated bond amounting to RMB6.0 billion on 25 May 2020.
- (12) 5-year corporate bond amounting to RMB1.5 billion on 8 March 2021 with put option on 8 March 2024.
- (13) 7-year corporate bond amounting to RMB0.5 billion on 8 March 2021 with put option right on 8 March 2026.
- (14) 7-year corporate bond amounting to RMB3.0 billion on 15 July 2021.
- (15) 3-year corporate bond amounting to RMB0.5 billion on 4 August 2021.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

48 Long-term bonds (continued)

As approved by the Board and related regulatory authorities, the Group has issued the following bonds (continued):

- (16) 5-year corporate bond amounting to RMB2.5 billion on 4 August 2021.
- (17) 3-year corporate bond amounting to RMB2.5 billion on 29 April 2021.
- (18) 3-year corporate bond amounting to RMB2.0 billion on 29 April 2021.
- (19) 5-year corporate bond amounting to RMB2.6 billion on 24 May 2021.
- (20) 3-year corporate bond amounting to RMB2.0 billion on 28 May 2021.
- (21) 10-year corporate bond amounting to RMB2.5 billion on 28 May 2021.
- (22) 3-year corporate bond amounting to RMB2.0 billion on 21 July 2021.
- (23) 10-year corporate bond amounting to RMB3.0 billion on 21 July 2021.
- (24) 3-year corporate bond amounting to RMB2.8 billion on 28 July 2021.
- (25) 5-year corporate bond amounting to RMB4.2 billion on 28 July 2021.
- (26) 3-year corporate bond amounting to RMB3.0 billion on 26 August 2021.
- (27) 10-year corporate bond amounting to RMB3.0 billion on 26 August 2021.
- (28) 3-year corporate bond amounting to RMB4.8 billion on 9 September 2021.
- (29) 5-year corporate bond amounting to RMB1.0 billion on 9 September 2021.
- (30) 2-year corporate bond amounting to RMB2.3 billion on 22 September 2021.
- (31) 3-year corporate bond amounting to RMB2.3 billion on 22 September 2021.
- (32) 3-year subordinated bond amounting to RMB3.0 billion on 21 January 2021.
- (33) 3-year subordinated bond amounting to RMB3.8 billion on 11 March 2021.
- (34) 2-year subordinated bond amounting to RMB1.8 billion on 27 December 2021.

48 Long-term bonds (continued)

As approved by the Board and related regulatory authorities, the Group has issued the following bonds (continued):

- (35) 3-year subordinated bond amounting to RMB1.2 billion on 27 December 2021.
- (36) 3-year corporate bond amounting to RMB1.8 billion on 4 March 2022.
- (37) 5-year corporate bond amounting to RMB1.2 billion on 4 March 2022.
- (38) 3-year corporate bond amounting to RMB3.0 billion on 22 April 2022.
- (39) 5-year corporate bond amounting to RMB1.0 billion on 22 April 2022.
- (40) 10-year corporate bond amounting to RMB2.55 billion on 26 August 2022.
- (41) 3-year corporate bond amounting to RMB5.0 billion on 21 January 2022.
- (42) 10-year corporate bond amounting to RMB2.4 billion on 21 January 2022.
- (43) 3-year corporate bond amounting to RMB2.2 billion on 23 February 2022.
- (44) 3-year corporate bond amounting to RMB3.5 billion on 24 March 2022.
- (45) 5-year corporate bond amounting to RMB2.1 billion on 24 March 2022.
- (46) 3-year corporate bond amounting to RMB1.8 billion on 23 May 2022.
- (47) 5-year corporate bond amounting to RMB2.2 billion on 23 May 2022.
- (48) 3-year subordinated bond amounting to RMB3.0 billion on 27 April 2022.
- (49) 2-year subordinated bond amounting to RMB1.4 billion on 6 March 2023.
- (50) 3-year subordinated bond amounting to RMB1.3 billion on 6 March 2023.
- (51) 3-year subordinated bond amounting to RMB2.3 billion on 27 March 2023.
- (52) 2-year corporate bond amounting to RMB0.8 billion on 14 April 2023.
- (53) 3-year corporate bond amounting to RMB2.0 billion on 14 April 2023.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

48 Long-term bonds (continued)

As approved by the Board and related regulatory authorities, the Group has issued the following bonds (continued):

- (54) 5-year corporate bond amounting to RMB5.0 billion on 12 June 2023.
- (55) 2-year corporate bond amounting to RMB2.2 billion on 17 August 2023.
- (56) 3-year corporate bond amounting to RMB1.8 billion on 17 August 2023.
- (57) 2-year corporate bond amounting to RMB0.5 billion on 30 August 2023.
- (58) 2-year corporate bond amounting to RMB1.5 billion on 30 August 2023.
- (59) 5-year corporate bond amounting to RMB1.6 billion on 1 September 2023.
- (60) 10-year corporate bond amounting to RMB0.8 billion on 1 September 2023.
- (61) 2-year corporate bond amounting to RMB2.8 billion on 21 September 2023.
- (62) 5-year corporate bond amounting to RMB2.1 billion on 21 September 2023.
- (63) 5-year subordinated bond amounting to RMB1.6 billion on 8 December 2023.
- (64) Shenwan Hongyuan International Finance Limited issued a 5-year corporate bond amounting to US\$0.5billion on 14 July 2021, with the annual interest rate of 1.80%, the bond pays interest every six months, and is guaranteed unconditionally and irrevocably by Shenwan Hongyuan Securities Co., Ltd.
- (65) Shenwan Hongyuan International Finance Limited issued a 3-year corporate bond amounting to US\$0.3billion on 16 March 2022, with the annual interest rate of 2.63%, the bond pays interest every six months, and is guaranteed unconditionally and irrevocably by Shenwan Hongyuan Securities Co., Ltd.
- (66) In 2023, the Group has issued 190 tranches of structured notes due over one year (For the year ended 31 December 2022: 173 tranches). At 31 December 2023, 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 2.70%-3.15% (At 31 December 2022: 2.55%-3.15%).

49 Share capital

All shares issued by the Company are fully paid common shares. The par value per share is RMB1. The Company's number of shares issued and their nominal value are as follows:

	As at 31 December 2023 and 2022	
	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 2023 and 31 December 2022, 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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

50 Reserves (continued)

(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.

	For the year ended 31 December 2023				
	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	524,557	-	524,557	10,943	535,500
– Reclassified to profit or loss	126,735	-	126,735	(3,696)	123,039
Share of other comprehensive income of associates	1,362	-	1,362	-	1,362
Exchange differences on translation of financial statements in foreign currencies	-	62,890	62,890	(19,247)	43,643
Items that will not be reclassified to profit or loss:					
Equity investment at fair value through other comprehensive income					
– Net changes in fair value	624,729	-	624,729	-	624,729
Total	1,277,383	62,890	1,340,273	(12,000)	1,328,273

	For the year ended 31 December 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)

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

51 Retained profits

As at 31 December 2023 and 31 December 2022, the consolidated retained profits attributable to the Company included an appropriation of RMB5,311 million and RMB4,740 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 20 June 2023, the Company was approved 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.

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 2023		As at 31 December 2022	
	Carrying amount of transferred assets	Carrying amount of related liabilities	Carrying amount of transferred assets	Carrying amount of related liabilities
Repurchase agreements	531,523	–	1,032,269	973,923
Securities lending	410,095	–	488,940	–

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 2023 and 31 December 2022, the net assets of the consolidated asset management products are RMB69,728,612 thousand and RMB24,310,802 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 2023 and 31 December 2022, 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 2023 and 31 December 2022, which are listed as below:

	As at 31 December 2023	As at 31 December 2022
Financial assets at fair value through profit or loss	44,849,300	86,966,625
Financial assets measured at amortized cost	942,248	3,825,557
Total	45,791,548	90,792,182

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

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 2023 and 31 December 2022, which are listed as below:

	As at 31 December 2023		
	Financial assets at fair value through profit or loss	Financial Assets measured at amortized cost	Total
Funds	1,503,890	–	1,503,890
Asset management products and others	1,516,468	–	1,516,468
Total	3,020,358	–	3,020,358

	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

During the years ended 31 December 2023 and 2022, the Group recognized net income from asset management business of RMB975,457 thousand and RMB1,251,808 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.

The Group received arbitration notices and arbitration defense notices from the Beijing Arbitration Commission in December 2023. Five intermediary institutions, including Shenwan Hongyuan Securities Underwriting and Recommendation Co., Ltd., a subsidiary of the Group, are involved in a case related to Huachen Automobile Group Holdings Co., Ltd., with a dispute amount of RMB453,176 thousand. As of 31 December 2023, the above-mentioned case is still in the process of arbitration and there is currently no progress in arbitration.

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 2023	As at 31 December 2022
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:

	As at 31 December 2023	As at 31 December 2022
Year end:		
Financial assets at fair value through other comprehensive income	402,271	—
Financial assets at fair value through profit or loss	10,192	—
Accounts payable to brokerage clients	922	—
	For the year ended 31 December	
	2023	2022
Transactions during the year:		
Interest income	18,914	—
Fee and commission income	12,653	4,340
Net investment gains	(17,045)	4,695

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

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 2023	As at 31 December 2022
Balances at the end of the year:		
Financial assets sold under repurchase agreements	25,725,097	25,529,805
Cash and bank balances	22,686,901	37,137,440
Financial assets at fair value through profit or loss	19,367,734	5,042,737
Financial assets at fair value through other comprehensive income	12,145,273	1,520,947
Financial liabilities at fair value through profit or loss	1,796,790	–
Loans and borrowings	313,454	120,173
Derivative financial liabilities	202,851	158,430
Right-of-use assets	83,972	17,123
Lease liabilities	74,372	20,105
Derivative financial assets	68,422	233,185
Accounts payable to brokerage clients	63,750	167,890
Accounts receivable	52,233	73,707
Other receivables and prepayments	8,233	8,493
Other payables and accruals	6,987	18,480
Financial assets measured at amortized cost	–	126,809
	For the year ended 31 December	
	2023	2022
Transactions during the year:		
Interest income	1,000,711	845,275
Net investment gains	680,541	661,383
Fee and commission income	308,739	394,224
Interest expenses	254,014	191,737
Other operating expenses	112,482	87,639
Fee and commission expenses	68,640	71,584
Depreciation and amortization expense	20,931	11,232
Other income and gains	18,495	11,018

For the years ended 31 December 2023 and 31 December 2022, capital injection made by the Group into the associates and joint ventures are RMB218,100 thousand and RMB105,850 thousand, respectively.

For the years ended 31 December 2023 and 31 December 2022, dividend received from associates and joint ventures are RMB308,690 thousand and RMB479,689 thousand, respectively.

55 Related party relationships and transactions (continued)

(3) Key management personnel remuneration

	As at 31 December 2023	As at 31 December 2022
Short-term employee benefits		
– Fees, salaries, allowances and bonuses	20,465	25,163
Post-employment benefits		
– Contributions to pension scheme	592	575
Total	21,057	25,738

Total remuneration is included in “staff costs” (see Note 11).

The emoluments paid or payable to 5 (2022: 5) senior management personnel were with the following bands:

	2023 Number of individuals	2022 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	1	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;

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

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 2023

	Enterprise finance		Personal	Institutional	Investment	Segment total
	Investment banking	Principal investment	finance	services and trading	management	
Fee and commission income	1,497,478	87,250	4,330,794	1,413,480	1,003,790	8,332,792
Interest income	51,579	439,840	5,853,249	3,383,262	298,981	10,026,911
Net investment gains	483,328	1,172,600	377,179	6,825,201	115,566	8,973,874
Other income and gains	2,963	193,609	216,147	4,134,815	35,037	4,582,571
Total revenue and other income	2,035,348	1,893,299	10,777,369	15,756,758	1,453,374	31,916,148
Segment expenses	1,481,567	1,576,912	8,402,445	13,572,591	1,368,147	26,401,662
Including: Interest expenses	29,286	1,090,875	2,060,536	6,202,196	312,516	9,695,409
Provision for impairment losses	(93)	65,289	(36,154)	350,334	51,569	430,945
Share of profit of associates and joint ventures	-	577,596	-	-	-	577,596
Profit before income tax	553,781	893,983	2,374,924	2,184,167	85,227	6,092,082
Other segment information:						
Depreciation and amortization expenses	82,352	21,621	471,455	256,287	37,823	869,538
Capital expenditure paid	6,776	305,582	180,567	74,170	18,468	585,563
As at 31 December 2023						
Segment assets	1,913,994	37,682,330	157,248,866	413,028,017	22,824,640	632,697,847
Deferred tax assets						2,739,571
Segment total assets						635,437,418
Segment liabilities	414,847	29,856,170	118,102,178	339,880,924	18,358,638	506,612,757
Deferred tax liabilities						30,527
Segment total liabilities						506,643,284

56 Segment reporting (continued)

Business segments (continued)

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

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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

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 2023 and 31 December 2022, 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 2023			Total
	Level 1	Level 2	Level 3	
Assets				
Financial assets at fair value through profit or loss				
– Debt securities	48,620,941	72,798,923	249,776	121,669,640
– Equity securities	82,877,572	8,537,052	6,575,098	97,989,722
– Hybrid instruments	1,453,320	148,040	1,591,904	3,193,264
– Asset management products and others	922,646	4,557,548	8,155,344	13,635,538
Financial assets at fair value through other comprehensive income				
– Debt securities	9,889,044	63,435,321	74,550	73,398,915
– Equity securities	1,573,324	68,756,603	263,800	70,593,727
Derivative financial assets	739,919	1,688,087	7,779,372	10,207,378
Total	146,076,766	219,921,574	24,689,844	390,688,184
Liabilities				
Financial liabilities at fair value through profit or loss	303,566	5,388,936	1,804	5,694,306
Derivative financial liabilities	609,137	1,526,192	4,050,231	6,185,560
Total	912,703	6,915,128	4,052,035	11,879,866

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

57 Fair value information (continued)

(2) Fair value hierarchy (continued)

	As at 31 December 2022			Total
	Level 1	Level 2	Level 3	
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				
Derivative financial liabilities	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

For the years ended 31 December 2023 and 31 December 2022, there was no significant transfer between Level 1 and Level 2.

For the years ended 31 December 2023 and 31 December 2022, 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 2023 and 31 December 2022. 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 2023 and 31 December 2022, 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 2023 and 31 December 2022 within bid-ask spread. If there is no quoted market price as at 31 December 2023 and 31 December 2022, 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 2023 and 31 December 2022 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 2023 and 31 December 2022.
- (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 2023 and 31 December 2022.
- (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 2023 and 31 December 2022.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

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 2023						
	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 2023	17,670,018	380,970	261,000	6,614,147	6,894	3,427,642	28,360,671
Gains or losses for the year	3,570,918	(9,147)	-	1,440,082	(2,071)	331,938	5,331,720
Changes in fair value recognized in other comprehensive income	-	(137,974)	-	-	-	-	(137,974)
Purchases	9,689,919	4,759	2,800	18,179	755	377,418	10,093,830
Sales and settlements	(10,252,299)	(164,058)	-	(293,036)	(3,774)	(86,767)	(10,799,934)
Transfer in	9,124	-	-	-	-	-	9,124
Transfer out	(4,115,558)	-	-	-	-	-	(4,115,558)
As at 31 December 2023	16,572,122	74,550	263,800	7,779,372	1,804	4,050,231	28,741,879
Realized gains or losses included in profit or loss for the year							
– investment gains	3,327,274	(9,147)	-	198,124	23,554	(18,817)	3,520,988
Unrealized gains or losses included in profit or loss for the year							
– gain or losses on the fair value change	243,644	-	-	1,241,958	(21,483)	(313,121)	1,150,998

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 2022							Total
	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		
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	

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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

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.

Notes to the consolidated financial statements (continued)

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(In RMB thousands, unless otherwise stated)

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 2023 and 31 December 2022, 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 2023 and 31 December 2022, 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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

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 judgement that the Group needs to apply when estimating credit losses depends on the availability of specific information. The degree of the judgement 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 2023 and 31 December 2022, 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 2023 and 31 December 2022, 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.

Notes to the consolidated financial statements (continued)

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(In RMB thousands, unless otherwise stated)

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 2023 and 31 December 2022, 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 2023 and 31 December 2022, majority of the financial assets' ratio to underlying collateral value was over the force liquidation level. As at 31 December 2023 and 31 December 2022, 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 2023	31 December 2022
Refundable deposits	22,812,202	26,517,378
Accounts receivable	6,167,987	5,248,559
Other receivables and prepayments	317,892	591,914
Other non-current assets	16,338	9,944
Margin accounts receivable	64,428,205	61,299,617
Financial assets held under resale agreements	4,614,564	17,440,364
Financial assets at fair value through profit or loss	128,148,316	148,586,733
Derivative financial assets	10,207,378	8,197,282
Financial assets measured at amortized cost	3,517,259	4,117,369
Financial assets at fair value through other comprehensive income	73,398,915	54,510,847
Clearing settlement funds	12,335,678	21,106,241
Cash held on behalf of brokerage clients	85,610,760	89,528,669
Bank balances	33,453,188	32,095,499
Total maximum credit risk exposure	445,028,682	469,250,416

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

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 2023	Increases	Reversals	Write-offs	Others	As at 31 December 2023
Provision for impairment losses on cash and bank balances	5,201	1,208	(4,442)	-	32	1,999
Provision for impairment losses on margin accounts receivable ^(a)	378,024	71,411	(46,807)	-	-	402,628
Provision for impairment losses on accounts receivable	858,529	170,600	(42,938)	-	(11,697)	974,494
Provision for impairment losses on financial assets held under resale agreements ^(b)	1,829,278	135,030	(163,826)	-	(2,615)	1,797,867
Provision for impairment losses on financial assets measured at amortized cost ^(c)	590,035	80,387	(462)	-	(212,582)	457,378
Provision for impairment losses on financial assets at fair value through other comprehensive income ^(d)	745,478	214,026	(57,309)	-	3,479	905,674
Provision for impairment losses on other receivables and prepayments	325,308	14,097	(29,876)	-	-	309,529
Total	4,731,853	686,759	(345,660)	-	(223,383)	4,849,569

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

	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	287,873	48,362	(10,013)	–	(914)	325,308
Total	3,497,146	1,767,713	(343,569)	(1,500)	(187,937)	4,731,853

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

(a) margin accounts receivable

	Stage of ECL			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (Credit-impaired)	
As at 1 January 2023	104,071	23,372	250,581	378,024
Increases	69,489	1,403	519	71,411
Reversals	(45,311)	(1,277)	(219)	(46,807)
Transfer:				
Stage 1 to stage 2	(763)	763	-	-
Stage 1 to stage 3	(1)	-	1	-
Stage 2 to stage 1	20,809	(20,809)	-	-
Stage 2 to stage 3	-	(216)	216	-
As at 31 December 2023	148,294	3,236	251,098	402,628
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

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

(b) Accounts receivable

	Stage of ECL			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (Credit-impaired)	
As at 1 January 2023	-	40,967	817,562	858,529
Increases	5,540	9,133	155,927	170,600
Reversals	-	(14,970)	(27,968)	(42,938)
Transfer:				
Stage 2 to stage 1	5,042	(5,042)	-	-
Foreign exchange and other movements	(3,747)	-	(7,950)	(11,697)
As at 31 December 2023	6,835	30,088	937,571	974,494
As at 1 January 2022	-	50,251	570,403	620,654
Increases	-	17,721	573,330	591,051
Reversals	-	(27,005)	(122,001)	(149,006)
Transfer:	-	-	(1,500)	(1,500)
Foreign exchange and other movements	-	-	(202,670)	(202,670)
As at 31 December 2022	-	40,967	817,562	858,529

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

(c) Financial assets held under resale agreements

	Stage of ECL			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (Credit-impaired)	
As at 1 January 2023	204	-	1,829,074	1,829,278
Increases	60	-	134,970	135,030
Reversals	(136)	-	(163,690)	(163,826)
Transfer:				
Foreign exchange and other movements	2	-	(2,617)	(2,615)
As at 31 December 2023	130	-	1,797,737	1,797,867
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

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

(d) Financial assets measured at amortized cost

	Stage of ECL			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (Credit-impaired)	
As at 1 January 2023	2,462	-	587,573	590,035
Increases	1,286	-	79,101	80,387
Reversals	(462)	-	-	(462)
Transfer:				
Stage 1 to stage 3	(35)	-	35	-
Foreign exchange and other movements	10	-	(212,592)	(212,582)
As at 31 December 2023	3,261	-	454,117	457,378
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

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

(e) Financial assets at fair value through other comprehensive income

	Stage of ECL			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (Credit-impaired)	
As at 1 January 2023	66,944	5,573	672,961	745,478
Increases	54,041	670	159,315	214,026
Reversals	(52,386)	(4,201)	(722)	(57,309)
Transfer:				
Stage 1 to stage 2	(333)	333	-	-
Stage 2 to stage 1	1,409	(1,409)	-	-
Stage 3 to stage 1				
Foreign exchange and other movements	253	1	3,225	3,479
As at 31 December 2023	69,928	967	834,779	905,674
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

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

(f) Other receivables and prepayments

	Stage of ECL			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (Credit-impaired)	
As at 1 January 2023	33,728	-	291,580	325,308
Increases	13,348	-	749	14,097
Reversals	(12,184)	-	(17,692)	(29,876)
Transfer:				
Stage 1 to stage 3	(283)	-	283	-
As at 31 December 2023	34,609	-	274,920	309,529
As at 1 January 2022	29,345	-	258,528	287,873
Increases	11,008	-	37,354	48,362
Reversals	(5,711)	-	(4,302)	(10,013)
Foreign exchange and other movements	(914)	-	-	(914)
As at 31 December 2022	33,728	-	291,580	325,308

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(1) Credit risk (continued)

(g) Significant credit risk exposure

	As at 31 December 2023			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
Margin accounts receivable	64,009,550	418,655	–	64,428,205
Accounts receivable	5,574,483	246,233	347,271	6,167,987
Financial assets held under resale agreements	4,101,053	–	513,511	4,614,564
Financial assets measured at amortized cost	2,646,007	–	871,252	3,517,259
Financial assets at fair value through other comprehensive income	72,977,955	302,536	118,424	73,398,915
Other receivables and prepayments	334,224	–	5	334,229

	As at 31 December 2022			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
Margin accounts receivable	58,230,278	3,069,339	–	61,299,617
Accounts receivable	3,847,009	733,482	668,068	5,248,559
Financial assets held under resale agreements	13,523,679	–	3,916,685	17,440,364
Financial assets measured at amortized cost	2,851,045	12,451	1,253,873	4,117,369
Financial assets at fair value through other comprehensive income	52,687,330	1,539,924	283,593	54,510,847
Other receivables and prepayments	580,609	–	–	580,609

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(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.

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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

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 2023						Total
	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	
Financial liabilities:							
Loans and borrowings	-	(266,686)	(184,946)	(388,035)	-	-	(839,667)
Short-term debt instruments issued	-	(4,404,078)	(6,670,373)	(19,348,223)	-	-	(30,422,674)
Placements from other financial institutions	-	(1,668,306)	(157,365)	(626,087)	-	-	(2,451,758)
Accounts payable to brokerage clients	(96,870,504)	-	-	-	-	-	(96,870,504)
Other payables and accruals	(58,040,195)	(30,691)	(35,169)	-	-	-	(58,106,055)
Financial assets sold under repurchase agreements	(1,685,327)	(142,441,508)	(5,432,303)	(14,017,945)	-	-	(163,577,083)
Lease liabilities	-	(43,181)	(71,189)	(285,332)	(601,377)	(85,835)	(1,086,914)
Financial liabilities at fair value through profit or loss	(1,991)	(1,420,742)	(1,684,825)	(592,586)	(2,177,128)	(95,734)	(5,973,006)
Derivative financial liabilities	-	(1,152,989)	(1,501,052)	(2,097,499)	(1,433,447)	(573)	(6,185,560)
Long-term bonds	-	(3,929,890)	(5,332,021)	(23,927,184)	(92,489,691)	(14,517,989)	(140,196,775)
Other non-current liabilities	-	-	-	-	(660,820)	-	(660,820)
Total	(156,598,017)	(155,358,071)	(21,069,243)	(61,282,891)	(97,362,463)	(14,700,131)	(506,370,816)
Cash flows from derivative financial liabilities settled on a net basis:	-	(1,150,945)	(1,510,747)	(2,097,625)	(1,433,447)	(573)	(6,193,337)
Gross-settled derivative financial liabilities:							
Contractual amounts receivable	-	-	(904,043)	(90,790)	-	-	(994,833)
Contractual amounts payable	-	-	894,349	90,664	-	-	985,013

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 2022						Total
	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	
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	-	-	-	-	-	-	-

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

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 2023. In the tables, financial assets and liabilities as at 31 December 2023 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 2023					Total
	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Non-interest bearing	
Financial assets						
Financial assets measured at amortized cost	-	-	-	126,743	3,390,516	3,517,259
Financial assets at fair value through other comprehensive income	3,826,145	13,179,553	43,081,948	12,020,403	71,884,593	143,992,642
Financial assets held under resale agreements	4,077,857	19,940	-	-	516,767	4,614,564
Refundable deposits	14,874,819	-	-	-	7,937,383	22,812,202
Accounts receivable	10,345	-	226,836	-	5,930,806	6,167,987
Other receivables and prepayments	-	-	-	-	317,892	317,892
Other non-current assets	-	-	-	-	16,338	16,338
Margin accounts receivable	22,003,115	39,624,675	-	-	2,800,415	64,428,205
Financial assets at fair value through profit or loss	5,708,114	22,897,052	73,094,779	24,383,780	110,404,439	236,488,164
Derivative financial assets	-	-	-	-	10,207,378	10,207,378
Clearing settlement funds	12,330,670	-	-	-	5,008	12,335,678
Cash held on behalf of brokerage clients	84,606,151	945,235	-	-	59,374	85,610,760
Cash and bank balances	33,080,301	168,841	-	-	204,114	33,453,256
Total	180,517,517	76,835,296	116,403,563	36,530,926	213,675,023	623,962,325
Financial liabilities						
Loans and borrowings	(446,999)	(386,999)	-	-	(1,594)	(835,592)
Short-term debt instruments issued	(8,928,213)	(18,992,223)	-	-	(135,525)	(28,055,961)
Placements from other financial institutions	(1,815,474)	(609,433)	-	-	(15,947)	(2,440,854)
Accounts payable to brokerage clients	(96,860,765)	-	-	-	(9,739)	(96,870,504)
Other payables and accruals	(113,900)	-	-	-	(58,036,688)	(58,150,588)
Financial liabilities at fair value through profit or loss	(5,634,702)	-	-	-	(59,604)	(5,694,306)
Financial assets sold under repurchase agreements	(149,052,368)	(13,717,404)	-	-	(445,561)	(163,215,333)
Derivative financial liabilities	-	-	-	-	(6,185,560)	(6,185,560)
Long-term bonds	(8,775,453)	(22,931,741)	(89,115,397)	(14,090,431)	(2,315,883)	(137,228,905)
Lease liabilities	(106,164)	(263,523)	(565,697)	(80,129)	-	(1,015,513)
Other non-current liabilities	-	-	-	-	(660,820)	(660,820)
Total	(271,734,038)	(56,901,323)	(89,681,094)	(14,170,560)	(67,866,921)	(500,353,936)
Net interest rate risk exposure	(91,216,521)	19,933,973	26,722,469	22,360,366	145,808,102	123,608,389

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

58 Financial instruments risk management (continued)

Risk analysis and control (continued)

(3) Market risk (continued)

(a) Interest rate risk (continued)

	31 December 2022					Total
	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Non-interest bearing	
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)

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:

	31 December 2023	31 December 2022
Sensitivity of profit after tax		
Move in yield curve		
Up 25 basis points	(798,844)	(395,775)
Down 25 basis points	811,092	398,930
Sensitivity of equity		
Move in yield curve		
Up 25 basis points	(1,135,870)	(574,756)
Down 25 basis points	1,155,690	579,339

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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

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:

	31 December 2023	31 December 2022
Sensitivity of profit after tax		
Currency		
USD	(39,792)	(127,771)
HKD	51,259	(92,261)
Other currencies	(2,892)	(52,727)
Sensitivity of equity		
Currency		
USD	(79,360)	(440,790)
HKD	51,259	(92,261)
Other currencies	(2,892)	(52,727)

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:

	31 December 2023	31 December 2022
Sensitivity of profit after tax		
Increase by 10%	7,084,780	6,664,982
Decrease by 10%	(7,084,780)	(6,664,982)
Sensitivity of equity		
Increase by 10%	12,359,525	6,790,664
Decrease by 10%	(12,359,525)	(6,790,664)

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

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.

According to the Provisions on the Calculation Basis for Risk Control Indicators of Securities Companies (2020) and the Measures for the Administration of Risk Control Indicators of Securities Companies (2020 revision) issued by the CSRC, the securities subsidiaries of the Group is required to continuously meet the risk control quota. The core risk control quota standards are as follows:

- (i) Risk Coverage Ratio ($\text{Net capital} / \text{Total risk capital reserves} \times 100\%$) shall be no less than 100%;
- (ii) Capital Leverage Ratio ($\text{Core net capital} / \text{Total balance sheet \& off-balance sheet assets} \times 100\%$) shall be no less than 8%;
- (iii) Liquidity Coverage Ratio ($\text{High quality liquid assets} / \text{Total net cash outflows over the next 30 days} \times 100\%$) shall be no less than 100%;
- (iv) Net Stable Funding Ratio ($\text{Available amount of stable funding} / \text{Required amount of stable funding} \times 100\%$) shall be no less than 100%.

59 Company-level statement of financial position

	As at 31 December 2023	As at 31 December 2022
Non-current assets		
Property and equipment	314,325	312,828
Investment properties	113,124	139,036
Other intangible assets	192	582
Interest in associates and joint ventures	63,081,137	63,125,223
Financial assets measured at amortized cost	869,137	2,032,469
Financial assets at fair value through profit or loss	4,592,937	4,838,504
Deferred tax assets	-	40,778
Other non-current assets	171	291
Total non-current assets	68,971,023	70,489,711
Current assets		
Other receivables and prepayments	3,741,525	3,608,255
Financial assets measured at amortized cost	1,250,342	500,768
Financial assets at fair value through profit or loss	7,912,600	7,904,405
Cash and bank balances	2,805,951	1,357,843
Total current assets	15,710,418	13,371,271
Total assets	84,681,441	83,860,982
Current liabilities		
Employee benefits payable	132,464	116,834
Other payables and accruals	33,741	44,226
Long-term bonds due within one year	2,117,636	6,676,561
Total current liabilities	2,283,841	6,837,621
Net current assets	13,426,577	6,533,650
Total assets less current liabilities	82,397,600	77,023,361
Non-current liabilities		
Long-term bonds	23,278,544	17,883,140
Non-current employee benefits payable	14,282	19,188
Other non-current liabilities	2,474	-
Total non-current liabilities	23,295,300	17,902,328
Net assets	59,102,300	59,121,033
Equity		
Share capital	25,039,945	25,039,945
Reserves	31,275,555	31,202,309
Retained profits	2,786,800	2,878,779
Total equity	59,102,300	59,121,033

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60 Events after the reporting date

(1) Profit distribution

Pursuant to the resolution of the Board of Directors dated 28 March 2024, the Board proposed to distribute cash dividends of RMB0.56 (tax inclusive) per 10 shares to shareholders based on the total outstanding shares of 25,039,945 thousand shares, with total dividends amounting to RMB1,402,237 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 2023 to the reporting date, the Group issued long-term bonds, short-term bonds and a number of structured notes, with coupon rates range from 2.20% to 6.80%. The issuance amount was approximately RMB23.91 billion in total.

(3) Repayment of long-term bonds, short-term bonds and structured notes

From 31 December 2023 to the reporting date, the Group repaid certain long-term bonds, short-term bonds and a number of structured notes, with coupon rates range from 2.30% to 6.80%. The repayment amount was approximately RMB26.62 billion in total.

61 Reclassification of comparative figures

Certain comparative figures have been reclassified to conform to the current period presentation.



申萬宏源集團股份有限公司
SHENWAN HONGYUAN GROUP CO., LTD.