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If you have sold or transferred all your shares in Shenwan Hongyuan Group Co., Ltd., you should at once hand this circular, together with the enclosed proxy form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



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)

- (1) 2020 WORK REPORT OF THE BOARD OF DIRECTORS**
 - (2) 2020 WORK REPORT OF THE BOARD OF SUPERVISORS**
 - (3) 2020 ANNUAL FINANCIAL REPORT**
 - (4) 2020 PROFIT DISTRIBUTION PLAN**
 - (5) 2020 ANNUAL REPORT**
 - (6) ESTIMATED ORDINARY RELATED PARTY TRANSACTIONS FOR 2021**
 - (7) GRANTING OF GENERAL MANDATE TO THE BOARD OF DIRECTORS TO ISSUE ADDITIONAL A SHARES AND H SHARES OF THE COMPANY**
 - (8) SHAREHOLDER RETURN PLAN OF THE COMPANY FOR THE NEXT THREE YEARS (2021–2023)**
 - (9) PROVISION OF GUARANTEE FOR HONGYUAN HENGLI (SHANGHAI) INDUSTRIAL CO., LTD.**
 - (10) APPOINTMENT OF AUDITORS OF THE COMPANY FOR 2021**
 - (11) AMENDMENTS TO THE ARTICLES OF ASSOCIATION**
 - (12) AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS**
 - (13) AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF SUPERVISORS**
 - (14) AMENDMENTS TO THE PLAN OF GRANTING AUTHORIZATION BY THE GENERAL MEETING TO THE BOARD OF DIRECTORS (2020)**
 - (15) ELECTION OF NON-INDEPENDENT DIRECTORS OF THE FIFTH SESSION OF THE BOARD OF DIRECTORS**
 - (16) ELECTION OF INDEPENDENT DIRECTORS OF THE FIFTH SESSION OF THE BOARD OF DIRECTORS**
 - (17) ELECTION OF SUPERVISORS OF THE FIFTH SESSION OF THE BOARD OF SUPERVISORS**
- AND**
- NOTICE OF THE 2020 ANNUAL GENERAL MEETING**
-

The 2020 annual general meeting of Shenwan Hongyuan Group Co., Ltd. will be held at 2:00 p.m. on Friday, May 28, 2021 at the Company's conference room, No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC. A notice of the AGM is set out on pages 20 to 23 of this circular.

Whether or not you are able to attend the AGM, you are advised to read the notice of the AGM carefully and to complete the proxy form dispatched on Wednesday, April 28, 2021 in accordance with the instructions printed thereon and return it as soon as possible. H Shareholders are required to return the proxy form to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, by hand or by post no later than 24 hours before the time appointed for convening the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjournment thereof in person if you so wish.

April 28, 2021

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the 2020 annual general meeting of the Company to be held at 2:00 p.m. on Friday, May 28, 2021 at the Company’s conference room, No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC
“A Share(s)”	domestic Shares of the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB and are listed for trading on the Shenzhen Stock Exchange (Stock Code: 000166)
“A Shareholder(s)”	holder(s) of A Share(s)
“Articles of Association”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board” or “Board of Directors”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“Central Huijin”	Central Huijin Investment Ltd. (中央匯金投資有限責任公司), a company with limited liability incorporated in the PRC on December 16, 2003
“Company”	Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H Shares and A Shares are listed on the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, respectively
“Company Law”	Company Law of the People’s Republic of China (《中華人民共和國公司法》) (as amended from time to time)
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“ETF(s)”	Exchange Traded Funds
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign Shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for in HKD and are listed for trading on the Hong Kong Stock Exchange (Stock Code: 6806)

DEFINITIONS

“H Shareholder(s)”	holder(s) of H Share(s)
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“JIC”	China Jianyin Investment Ltd. (中國建銀投資有限責任公司), a company with limited liability incorporated in the PRC, which is a Substantial Shareholder of the Company
“Latest Practicable Date”	April 23, 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan of the PRC
“Rules of Procedure of the Board of Directors”	the rules of procedure of the board of directors of Shenwan Hongyuan Group Co., Ltd., as amended, supplemented or otherwise modified from time to time
“Rules of Procedure of the Board of Supervisors”	the rules of procedure of the board of supervisors of Shenwan Hongyuan Group Co., Ltd., as amended, supplemented or otherwise modified from time to time
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedure of the General Meeting”	the Rules of Procedure of the General Meeting of Shenwan Hongyuan Group Co., Ltd., as amended, supplemented or otherwise modified from time to time
“Securities Law”	Securities Law of the People’s Republic of China (《中華人民共和國證券法》) (as amended from time to time)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, including A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s) of the Company, including A Shareholders and H Shareholders

DEFINITIONS

“Shenwan Hongyuan Securities”	Shenwan Hongyuan Securities Co., Ltd. (申萬宏源證券有限公司), a company with limited liability incorporated in the PRC on January 16, 2015 and a wholly-owned subsidiary of the Company
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	supervisor(s) of the Company
“%”	per cent

Unless otherwise specified, the financial data involved in this circular are under the Accounting Standards for Enterprises of China.

In this circular, there may be individual data as the sum of relevant data is different from the aggregate amount of the relevant data, which is caused by the rounding in calculation.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Chu Xiaoming (Chairman)
Mr. Yang Wenqing (Vice Chairman)

Non-executive Directors:

Mr. Chen Jianmin
Mr. Wang Honggang
Ms. Ge Rongrong
Mr. Ren Xiaotao
Mr. Zhang Yigang

Independent Non-executive Directors:

Ms. Ye Mei
Mr. Xie Rong
Ms. Huang Danhan
Ms. Yeung Siuman Shirley

Registered Office:

Room 2001, 20/F,
Dacheng International Building
358 South Beijing Road
Urumqi High-tech Zone
Xinjiang
PRC

Principal Place of Business in the PRC:

20/F, Dacheng International Building
358 South Beijing Road
Urumqi High-tech Zone
Xinjiang
PRC

No. 19, Taipingqiao Street
Xicheng District
Beijing
PRC

Principal Place of Business in Hong Kong:

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wanchai, Hong Kong

April 28, 2021

To the H Shareholders

Dear Sir or Madam,

- (1) 2020 WORK REPORT OF THE BOARD OF DIRECTORS
- (2) 2020 WORK REPORT OF THE BOARD OF SUPERVISORS
- (3) 2020 ANNUAL FINANCIAL REPORT
- (4) 2020 PROFIT DISTRIBUTION PLAN
- (5) 2020 ANNUAL REPORT
- (6) ESTIMATED ORDINARY RELATED PARTY TRANSACTIONS FOR 2021
- (7) GRANTING OF GENERAL MANDATE TO THE BOARD OF DIRECTORS TO ISSUE ADDITIONAL A SHARES AND H SHARES OF THE COMPANY
- (8) SHAREHOLDER RETURN PLAN OF THE COMPANY FOR THE NEXT THREE YEARS (2021–2023)
- (9) PROVISION OF GUARANTEE FOR HONGYUAN HENGLI (SHANGHAI) INDUSTRIAL CO., LTD.
- (10) APPOINTMENT OF AUDITORS OF THE COMPANY FOR 2021
- (11) AMENDMENTS TO THE ARTICLES OF ASSOCIATION

LETTER FROM THE BOARD

**(12) AMENDMENTS TO THE RULES OF PROCEDURE
OF THE BOARD OF DIRECTORS**
**(13) AMENDMENTS TO THE RULES OF PROCEDURE
OF THE BOARD OF SUPERVISORS**
**(14) AMENDMENTS TO THE PLAN OF GRANTING AUTHORIZATION
BY THE GENERAL MEETING TO THE BOARD OF DIRECTORS (2020)**
**(15) ELECTION OF NON-INDEPENDENT DIRECTORS
OF THE FIFTH SESSION OF THE BOARD OF DIRECTORS**
**(16) ELECTION OF INDEPENDENT DIRECTORS OF THE FIFTH SESSION
OF THE BOARD OF DIRECTORS**
**(17) ELECTION OF SUPERVISORS OF THE FIFTH SESSION
OF THE BOARD OF SUPERVISORS**
AND
NOTICE OF THE 2020 ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to give you notice of the AGM and to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for, against or abstain from voting on the resolutions to be proposed for consideration at the AGM.

The following ordinary resolutions and special resolutions (special resolution is marked by *) will be proposed at the AGM to approve:

- (1) the 2020 Work Report of the Board of Directors;
- (2) the 2020 Work Report of the Board of Supervisors;
- (3) the 2020 Annual Financial Report;
- (4) the 2020 Profit Distribution Plan;
- (5) the 2020 Annual Report;
- (6) the Resolution regarding the Estimated Ordinary Related Party Transactions for 2021;
- (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 Resolution regarding the Shareholder Return Plan of the Company for the Next Three Years (2021–2023);
- (9) the Resolution regarding the Provision of Guarantee for Hongyuan Hengli (Shanghai) Industrial Co., Ltd.;
- (10) the Resolution regarding the Appointment of Auditors of the Company for 2021;
- (11) * the Resolution regarding the Amendments to the Articles of Association;

LETTER FROM THE BOARD

- (12) * the Resolution regarding the Amendments to the Rules of Procedure of the Board of Directors;
- (13) * the Resolution regarding the Amendments to the Rules of Procedure of the Board of Supervisors;
- (14) the Resolution regarding the Amendments to the Plan of Granting Authorization by the General Meeting to the Board of Directors (2020);
- (15) the Resolution regarding the Election of Non-Independent Directors of the Fifth Session of the Board of Directors;
- (16) the Resolution regarding the Election of Independent Directors of the Fifth Session of the Board of Directors; and
- (17) the Resolution regarding the Election of Supervisors of the Fifth Session of the Board of Supervisors.

1. 2020 WORK REPORT OF THE BOARD OF DIRECTORS

An ordinary resolution will be proposed at the AGM to approve the 2020 Work Report of the Board of Directors.

The 2020 Work Report of the Board of Directors has been considered and approved at the Board meeting held on March 30, 2021 and is now submitted to the AGM for consideration and approval.

Details of the 2020 Work Report of the Board of Directors are set out in Appendix I to this circular.

2. 2020 WORK REPORT OF THE BOARD OF SUPERVISORS

An ordinary resolution will be proposed at the AGM to approve the 2020 Work Report of the Board of Supervisors.

The 2020 Work Report of the Board of Supervisors has been considered and approved at the meeting of the Board of Supervisors held on March 30, 2021 and is now submitted to the AGM for consideration and approval.

Details of the 2020 Work Report of the Board of Supervisors are set out in Appendix II to this circular.

LETTER FROM THE BOARD

3. 2020 ANNUAL FINANCIAL REPORT

An ordinary resolution will be proposed at the AGM to approve the 2020 Annual Financial Report.

The 2020 Annual Financial Report has been considered and approved at the Board meeting held on March 30, 2021 and is now submitted to the AGM for consideration and approval.

Details of the 2020 Annual Financial Report are set out in Appendix III to this circular.

4. 2020 PROFIT DISTRIBUTION PLAN

An ordinary resolution will be proposed at the AGM to approve the 2020 Profit Distribution Plan.

As audited and confirmed by KPMG Huazhen LLP, as of December 31, 2020, the Company realised a consolidated net profit attributable to shareholders of the parent company of RMB7,766,174,742.43. The balance of the audited undistributed profit of the parent company of the Group in 2019 was RMB3,220,543,207.46, plus the net profit attributable to the parent company of RMB1,731,246,875.20 for 2020; after deducting the cash dividend of RMB2,003,195,564.80 in 2019; after deducting the statutory surplus reserve of RMB173,124,687.52 as 10% of the net profit realized in 2020 according to the Company Law and the Articles of Association. The balance of profit available for distribution of the parent company of the Group at the end of 2020 was RMB2,775,469,830.34.

I. Distribution of Dividend in the Recent Three Years

Cash dividend (tax inclusive) of the Company for 2017–2019

	<i>Unit: RMB'0,000</i>	
	Annual distributable profit	
Year	Cash dividend	(consolidated)
2017	112,679.72	352,590.09
2018	112,679.72	284,448.32
2019	200,319.56	433,034.10
Proportion of accumulated cash dividend for the recent three years in the annual average distributable profit		119.34%

LETTER FROM THE BOARD

According to the Administrative Measures for the Issuance of Securities by Listed Companies, the Articles of Association and the Shareholder Return Plan of the Company for the Next Three Years (2018–2020), the Company may distribute dividends in cash, stock or by the combination of cash and stock and in any three consecutive years, the aggregate profits distributed by the Company in cash shall not be less than 30% of the average annual distributable profits for such three years.

The distribution of dividends in the recent three years is in line with the relevant regulatory requirements.

II. Reasons for Proposed Profit Distribution for 2020

After giving comprehensive consideration to the requirements of the securities regulatory authorities and the clear proportion of cash dividends under the Articles of Association, in order to maintain the continuity of the cash dividend policy, the cash dividend plan was implemented in 2020 based on the actual situation of the Company as well as industry practices as a response to certain investors' request for cash dividend.

III. Specific Proposal on Profit Distribution for 2020

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

LETTER FROM THE BOARD

The 2020 Profit Distribution Plan has been considered and approved at the Board meeting held on March 30, 2021 and is now submitted to the AGM for consideration and approval. Upon approval at the AGM, it is expected that the Company will distribute cash dividends in accordance with the distribution plan within two months after the AGM.

The Company will make further notice on the record date and the book closure date for such dividend distribution, etc.

5. 2020 ANNUAL REPORT

An ordinary resolution will be proposed at the AGM to approve the 2020 Annual Report.

The 2020 Annual Report has been considered and approved at the Board meeting and the meeting of the Board of Supervisors held on March 30, 2021 and is now submitted to the AGM for consideration and approval.

The 2020 Annual Report was dispatched to Shareholders on April 16, 2021, and has been published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (www.swhygh.com).

6. RESOLUTION REGARDING THE ESTIMATED ORDINARY RELATED PARTY TRANSACTIONS FOR 2021

An ordinary resolution will be proposed at the AGM to approve the Resolution Regarding the Estimated Ordinary Related Party Transactions for 2021.

The resolution has been considered and approved at the Board meeting held on March 30, 2021 and is now submitted to the AGM for consideration and approval.

Details of the resolution are set out in Appendix IV to this circular.

7. GRANTING OF GENERAL MANDATE TO THE BOARD OF DIRECTORS TO ISSUE ADDITIONAL A SHARES AND H SHARES OF THE COMPANY

A special resolution will be proposed at the AGM to approve the granting of general mandate to the Board of Directors to issue additional A Shares and H Shares of the Company.

In accordance with the requirements of applicable PRC laws and regulations and listing rules of the place where securities are listed, in order to improve decision-making efficiency and reduce internal approval procedures to seize market opportunities and ensure flexibility of issuing shares, the general meeting of the Company is requested to approve granting of the general mandate to the Board of the Company to issue additional shares by way of a special resolution in line with market practices.

I. Scope of authorization

The scope of authorization includes but not limit to:

1. To propose to the general meeting of the Company to grant the Board a general mandate during the Relevant Period (as defined below) to, by reference to market conditions and in accordance with needs of the Company, decide to allot, issue and deal with, either separately or concurrently, shares not exceeding 20% of each of the number of RMB-

LETTER FROM THE BOARD

dominated ordinary shares listed domestically (i.e. A shares) and/or foreign shares listed overseas (i.e. H shares) in issue of the Company as at the date of passing this resolution at the general meeting (including but not limited to ordinary shares, preferred shares, and securities convertible into shares), and decide to make or grant offers for sale, offers, agreements, right to exchange for or convert into shares or other rights as required or may be required to allot shares;

2. To authorize the Board to formulate and implement detailed issuance plan when exercising the above general mandate, including but not limited to the class of new shares to be issued, pricing mechanism and/or issuance/conversion/exercise price (including price range), form of issuance, number of shares to be issued, allottees and use of proceeds, and decide the time of issuance, period of issuance and whether to place shares to the existing Shareholders;
3. To authorize the Board to engage the intermediaries related to the issuance, approve and sign all acts, deeds, documents and other related matters necessary, desirable, advisable or relevant for the issuance; approve and sign, on behalf of the Company, any agreements related to the issuance, including but not limited to placement agreement, underwriting agreement, and agreement for engagement of intermediaries;
4. To authorize the Board to approve and sign, on behalf of the Company, statutory documents related to the issuance for submission to regulatory authorities, carry out relevant approval procedures required by regulatory authorities and venues in which the Company is listed, and complete all necessary recording, registration and filing procedures with relevant government departments in Hong Kong and/or any other regions and jurisdictions (if applicable);
5. To authorize the Board to amend, as required by regulatory authorities within or outside China, relevant agreements and statutory documents;
6. To authorize the Board to approve an increase in the registered capital of the Company after the issuance of new shares, make corresponding amendments to the Articles of Association relating to the total amount of share capital and equity structure, etc. and delegate the management of the Company to perform relevant procedures.

II. Term of authorization

Except that the Board may enter into or grant offers for sale, offers, agreements, right to exchange for or convert into shares or other rights during the Relevant Period (as defined below), which require or may require implementation or exercise at or after the end of the Relevant Period, the exercise of the above authorization shall be within the Relevant Period.

The “Relevant Period” means the period from the date when this resolution is passed by way of a special resolution at the general meeting of the Company until the earliest of the following three dates:

1. the conclusion of the 2021 annual general meeting of the Company;
2. the expiration of a period of twelve months following the passing of this resolution by way of a special resolution at the general meeting of the Company;

LETTER FROM THE BOARD

3. the date on which the authorization referred to in this resolution is revoked or varied by a special resolution at any general meeting of the Company.
- III. Powers under the authorization above may only be exercised by the Board in accordance with applicable PRC laws and regulations, listing rules of the jurisdictions on which the securities of the Company are listed and the Articles of Association, and subject to obtaining of all necessary approvals from the relevant government agencies and regulatory authorities within or outside PRC.

The above resolution has been considered and approved on the meeting of the Board of Directors held on March 30, 2021 and is now submitted to the AGM for consideration and approval.

8. THE SHAREHOLDER RETURN PLAN OF THE COMPANY FOR THE NEXT THREE YEARS (2021–2023)

A special resolution will be proposed at the AGM to approve the Shareholder Return Plan of the Company for the Next Three Years (2021–2023).

On May 11, 2018, the Shareholder Return Plan of Shenwan Hongyuan Group Co., Ltd. for the Next Three Years (2018–2020) (the “**Original Plan**”) was considered and approved at the 2017 annual general meeting of the Company, and was strictly implemented based on the actual situation of the Company.

The Company’s profit distribution plans for the recent three years strictly implemented the content of the Original Plan and met the requirements of relevant laws, regulations and supervision.

As the Original Plan has expired, in order to consummate and improve the Company’s scientific, continuous and stable return plan and mechanism, actively return to Shareholders, enhance the transparency and operability of profit distribution policy decisions, and effectively protect the legitimate rights and interests of Shareholders, the Company has prepared the Shareholder Return Plan of the Company for the Next Three Years (2021–2023), in accordance with relevant laws, regulations and departmental rules and the relevant provisions of the Articles of Association, as well as the actual situation of the Company.

The resolution has been considered and approved at the Board meeting held on March 30, 2021 and is now submitted to the AGM for consideration and approval.

Details of the resolution are set out in Appendix V to this circular.

9. RESOLUTION REGARDING THE PROVISION OF GUARANTEE FOR HONGYUAN HENGLI (SHANGHAI) INDUSTRIAL CO., LTD.

An ordinary resolution will be proposed at the AGM to approve the provision of guarantee for the external financing of Hongyuan Hengli (Shanghai) Industrial Co., Ltd..

The resolution has been considered and approved at the Board meeting held on March 30, 2021 and is now submitted to the AGM for consideration and approval.

Details of the resolution are set out in Appendix VI to this circular.

LETTER FROM THE BOARD

10. RESOLUTION REGARDING THE APPOINTMENT OF AUDITORS OF THE COMPANY FOR 2021

An ordinary resolution will be proposed at the AGM to approve the appointment of auditors of the Company for 2021.

Reference is made to the announcement of the Company dated April 19, 2021 in relation to the proposed change of auditors.

Pursuant to the requirements of the Administrative Measures for State-owned Financial Enterprises to Select and Engage Accounting Firms (Cai Jin [2020] No. 6) (《國有金融企業選聘會計師事務所管理辦法》(財金[2020]6號)) issued by the Ministry of Finance of the People's Republic of China, the consecutive terms of office of KPMG Huazhen LLP, which was previously engaged by the Company as its auditor, will reach the longest consecutive terms of office upon completion of the audit for 2020. According to relevant requirements, the Company organised and completed the selection and engagement of auditors for 2021, and proposed to appoint PricewaterhouseCoopers Zhong Tian LLP (“**PwC Zhong Tian**”) and PricewaterhouseCoopers (“**PwC Hong Kong Branch**”) as the auditors of the Company for 2021 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. As a transitional arrangement for change of auditors, the Company continued to engage KPMG Huazhen LLP to implement the agreed procedures for the Company's financial statements for the three months from 1 January to 31 March 2021.

It is now proposed to approve the engagement of PwC Zhong Tian and PwC Hong Kong Branch as the Company's auditors for 2021, to be responsible for the provision of the relevant domestic and overseas audit and review services in accordance with the Accounting Standards for Enterprises of China and the International Financial Reporting Standards, respectively; and to approve the engagement of PwC Zhong Tian as the Company's internal audit control institution for 2021. The audit fee for 2021 amounts to RMB5.68 million, including RMB568,000 for annual internal control audit.

The Company also proposed to authorize the Board to determine increases or decreases of the audit fee due to the change of the audit scope and content.

KPMG Huazhen LLP and KPMG have confirmed that there are no matters that are required to be brought to the attention of Shareholders in relation to their termination of services. The Board and the Audit Committee also confirm that there are no disagreements or unresolved matters between them and KPMG Huazhen LLP and KPMG and they are not aware of any matters that are required to be brought to the attention of Shareholders.

The above resolution has been considered and approved at the Board meeting held on April 19, 2021 and is now submitted to the AGM for consideration and approval.

11. RESOLUTION REGARDING THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION

A special resolution will be proposed at the AGM to approve the amendments to the Articles of Association.

Reference is made to the announcement of the Company dated January 29, 2021 in relation to, among others, the proposed amendments to the Articles of Association.

LETTER FROM THE BOARD

In order to improve its corporate governance, and further enhance its core competitiveness and market position in line with the requirements for quality and sustainable development, the Company plans to implement the executive committee system and establish an Executive Committee. The Executive Committee shall exercise its operational and management powers. Therefore, the Company proposes to amend the Articles of Association by adding regulations on the establishment, composition, powers and rules of procedures of the Executive Committee, and amending the scope of the Company's senior management, the powers of the Board and the powers of the general manager accordingly. At the same time, the Company proposed to amend the statement of main responsibilities of the Party Committee in the Articles of Association, adjust the number of members of the Board of Supervisors, and amend relevant articles of the Articles of Association accordingly. Meanwhile, the Company request to authorize the Company's operation and management members to handle matters relating to changes in business registration at the AGM. Please refer to Appendix VII to this circular for further details on the proposed amendments to the Articles of Association aforementioned (the “**Proposed Amendments**”).

The Proposed Amendments delete two articles, add six articles and amend seven articles. The number of the articles of the amended Articles of Association increases from the original 283 articles to 287 articles, and the numbering of the relevant articles is adjusted accordingly. The amended Articles of Association shall become effective on the date of passing this resolution at the AGM. Prior to the passing of this resolution at the AGM, the prevailing Articles of Association shall remain valid.

The above resolution has been considered and approved on the meeting of the Board of Directors held on January 29, 2021 and is now submitted to the AGM for consideration and approval.

12. RESOLUTION REGARDING THE AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

A special resolution will be proposed at the AGM to approve the amendments to the Rules of Procedure of the Board of Directors.

The Company plans to implement the executive committee system and establish an Executive Committee, and to amend the Articles of Association accordingly. Besides, the Company formulated the Measures on Executive Committee of Shenwan Hongyuan Group Co., Ltd. (For Trial Implementation). Based on the abovementioned system and the actual situation of the Company, the Company proposed to amend relevant articles of the Rules of Procedure of the Board of Directors. Please refer to Appendix VIII to this circular for further details on the proposed amendments to the Rules of Procedure of the Board of Directors.

The above resolution has been considered and approved at the Board meeting held on January 29, 2021 and is now submitted to the AGM for consideration and approval.

13. RESOLUTION REGARDING THE AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF SUPERVISORS

A special resolution will be proposed at the AGM to approve the amendments to the Rules of Procedure of the Board of Supervisors.

According to the relevant requirements of the Articles of Association (revised), the Company establish an Executive Committee. The Executive Committee shall exercise its operational and management powers. The Company intends to add the Executive Committee as the proposer of proposals of the Board of Supervisors, and to amend relevant articles of the Rules of Procedure of the Board of Supervisors accordingly. Please refer to Appendix IX to this circular for further details on the proposed amendments to the Rules of Procedure for the Supervisory Committee.

The above resolution has been considered and approved at the Board of Supervisors meeting held on January 29, 2021 and is now submitted to the AGM for consideration and approval.

LETTER FROM THE BOARD

14. RESOLUTION REGARDING THE AMENDMENTS TO THE PLAN OF GRANTING AUTHORIZATION BY THE GENERAL MEETING TO THE BOARD OF DIRECTORS (2020)

An ordinary resolution will be proposed at the AGM to approve the amendments to the Plan on Authorization to the Board by the General Meeting of Shenwan Hongyuan Group Co., Ltd. (2020).

Pursuant to the Company's proposed establishment of an Executive Committee and related amendments to the Articles of Association, the Company intends to modify The Plan on Authorization to the Board by the General Meeting of Shenwan Hongyuan Group Co., Ltd. (2020) accordingly and change its name to The Plan on Authorization to the Board by the General Meeting of Shenwan Hongyuan Group Co., Ltd. (the "**Authorization Plan**"). The Authorization Plan is amended as follows: regarding the provisions of sub-authorization, "the Board may delegate part of the authorization under this Authorization Plan to the general manager" is amended to "the Board may delegate part of the authorization under this Authorization Plan to the operation and management members" to match the subsequent authorization to the executive committee by the Board. Please refer to Appendix X to this circular for further details on the Proposed Amendments to the Authorization Plan.

The above resolution has been considered and approved at the Board meeting held on January 29, 2021 and is now submitted to the AGM for consideration and approval.

15. RESOLUTION REGARDING ELECTION OF NON-INDEPENDENT DIRECTORS OF THE COMPANY

An ordinary resolution will be proposed at the AGM to approve the election of non-independent Directors of the fifth session of the Board of Directors of the Company.

Reference is made to the announcement of the Company dated March 30, 2021 in relation to, among others, the nomination of candidates for the Directors of the fifth session of the Board of Directors of the Company.

In view of expiry of the term of office of the fourth session of the Board of Directors of the Company, the Board of Directors of the Company will proceed with the election of the new session of the Board of Directors in accordance with relevant provisions under the Company Law, the Securities Law and the Articles of Association. After the consideration and approval by the Remuneration and Nomination Committee of the Board of Directors of the Company and after the consideration and approval of the Board of Directors of the Company, Mr. Chu Xiaoming, Mr. Yang Wenqing and Mr. Huang Hao have been nominated as candidates for executive Directors of the fifth session of the Board of Directors, and Ms. Ge Rongrong, Mr. Ren Xiaotao, Mr. Zhang Yigang and Mr. Zhu Zhilong have been nominated as candidates for non-executive Directors of the fifth session of the Board of Directors.

The appointment of the abovementioned candidates for non-independent Directors will be subject to consideration and approval by Shareholders at the AGM of the Company. The abovementioned candidates for non-independent Directors will enter into a service contract with the Company to perform the duties as a Director of the fifth session of the Board of Directors of the Company after their appointments are approved at the AGM of the Company, with the term of office ends at the expiration of the fifth session of the Board of Directors.

LETTER FROM THE BOARD

Pursuant to the Articles of Association, the abovementioned candidates for non-independent Directors are eligible for re-election after their term of office expires. The remuneration of the abovementioned candidates for non-independent Directors for acting as Directors of the Company shall be determined in accordance with the relevant national policies and relevant rules and regulations of the Company, which will be disclosed in the annual report by the Company. Non-executive Directors will not receive any remuneration from the Company for their directorships.

The biographical details of the candidates for the non-independent Directors of the fifth session of the Board of Directors of the Company are set out in Appendix XI to this circular.

As at the Latest Practicable Date, the candidates for the non-independent Directors have not been subject to any penalty by the CSRC or other relevant departments or punishment by any stock exchange. Save as disclosed in this circular, the candidates for the non-independent Directors confirmed that they did not hold any directorships in public companies whose securities are listed on any securities market in Hong Kong or overseas in the past three years; they do not have any relationships with any of the Company's Directors, Supervisors or senior management, Substantial Shareholders or their respective subsidiaries nor do they hold any position in the Company or any of its subsidiaries; they do not have any interest in the shares of the Company or its associated corporations (as defined in Part XV of the SFO); there is no information that is required to be disclosed under Rules 13.51(2) (h) to (v) of the Listing Rules, nor is there any matter that needs to be brought to the attention of the Shareholders of the Company.

The above resolution has been considered and approved on the meeting of the Board of Directors held on March 30, 2021 and is now submitted to the AGM for consideration and approval.

16. ELECTION OF INDEPENDENT DIRECTORS OF THE FIFTH SESSION OF THE BOARD OF DIRECTORS

An ordinary resolution will be proposed at the AGM to approve the election of independent Directors of the fifth session of the Board of Directors of the Company.

Reference is made to the announcement of the Company dated March 30, 2021 in relation to, among others, the nomination of candidates for the Directors of the fifth session of the Board of Directors of the Company.

In view of expiry of the term of office of the fourth session of the Board of Directors of the Company, the Board of Directors of the Company will proceed with the election of the new session of the Board of Directors in accordance with relevant provisions under the Company Law, the Securities Law, the Guidance for Listed Companies on Establishment of Independent Directors System and the Articles of Association. After the consideration and approval by the Remuneration and Nomination Committee of the Board of Directors of the Company and after the consideration and approval of the Board of Directors of the Company, Ms. Yeung Siuman Shirley, Mr. Wu Changqi, Mr. Chen Hanwen and Mr. Zhao Lei have been nominated as candidates for independent non-executive Directors of the fifth session of the Board of Directors of the Company.

The appointment of the abovementioned candidates for independent Directors will be subject to consideration and approval by Shareholders at the AGM of the Company. The abovementioned candidates for independent Directors will enter into a service contract with the Company to perform the duties as a Director of the fifth session of the Board of Directors of the Company after their appointments are approved at the AGM of the Company, with the term of office ends at the expiration of the fifth session of the Board of Directors.

LETTER FROM THE BOARD

Pursuant to the Articles of Association, the abovementioned candidates for non-independent Directors are eligible for re-election after their term of office expires. The remuneration of the abovementioned candidates for independent Directors for acting as Directors of the Company shall be determined in accordance with the relevant national policies and relevant rules and regulations of the Company, which will be disclosed in the annual report by the Company.

The biographical details of the candidates for the independent Directors of the fifth session of the Board of Directors of the Company are set out in Appendix XII to this circular.

As at the Latest Practicable Date, the candidates for the independent Directors have not been subject to any penalty by the CSRC or other relevant departments or punishment by any stock exchange. Save as disclosed in this circular, the candidates for the independent Directors confirmed that they did not hold any directorships in public companies whose securities are listed on any securities market in Hong Kong or overseas in the past three years; they do not have any relationships with any of the Company's Directors, Supervisors or senior management, Substantial Shareholders or their respective subsidiaries nor do they hold any position in the Company or any of its subsidiaries; they do not have any interest in the shares of the Company or its associated corporations (as defined in Part XV of the SFO); there is no information that is required to be disclosed under Rules 13.51(2)(h) to (v) of the Listing Rules, nor is there any matter that needs to be brought to the attention of the Shareholders of the Company.

In deciding the Board's composition, Board diversity shall be considered from a number of aspects, including but not limited to gender, age, cultural and educational backgrounds, region, professional experience, skills, knowledge and length of services. All Board appointments will be based on meritocracy, where the Company focuses on evaluating what skills, experience, and diverse viewpoints and perspectives that candidates can bring to the Board, and how they can make contributions to the Board. The final decision will be based on the strengths of candidates and the contributions they can make to the Board. The Remuneration and Nomination Committee under the Board is mainly responsible for reviewing the structure, size and composition of the Board, deliberating and advising on criteria and procedures for the selection and appointment of Directors and senior management, identifying suitable candidates who are qualified for Directors and senior management, and reviewing the qualifications of candidates for Directors and senior management and make recommendations thereon.

The Remuneration and Nomination Committee under the Board and the Board is of the view that Ms. Yeung Siuman Shirley has been in the investment field for many years and has extensive experience in venture capital, investment banking and fund management, Mr. Wu Changqi has a wealth of economic management knowledge and many years of management and strategic research work experience, Mr. Chen Hanwen has been immersed in the accounting professional field for many years and has accumulated a wealth of financial management knowledge and experience, and Mr. Zhao Lei has been engaged in law teaching and scientific research for a long time. He is familiar with the legal system of the capital market, can promote the diversity of the members of the Board of Directors, supplement the knowledge and professional background of the members of the Board of Directors in risk control, strategy, finance, and compliance, and can play an active role in promoting corporate governance, strategic development planning and standardized operations of the Board of Directors. Nominating them as independent non-executive Directors of the fifth session of the Board of the Company can give full play to their advantages of professional background, allowing them to bring diversified perspectives as well as offer valuable opinions for our decision making on major issues of the Company.

Ms. Yeung Siuman Shirley, Mr. Wu Changqi, Mr. Chen Hanwen and Mr. Zhao Lei have confirmed their independence pursuant to Rule 3.13 of the Listing Rules. The Board is also of the view that they meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Shenzhen Stock Exchange has no objection on the filing of the qualifications and independence of independent Director candidates. The above resolution has been considered and approved on the meeting of the Board of Directors held on March 30, 2021. The above resolution is now submitted to the AGM for consideration and approval.

17. ELECTION OF SUPERVISORS OF THE FIFTH SESSION OF THE BOARD OF SUPERVISORS

An ordinary resolution will be proposed at the AGM to approve the election of Supervisors of the fifth session of the Board of Supervisors of the Company.

Reference is made to the announcement of the Company dated March 30, 2021 in relation to, among others, the nomination of candidates for the Supervisors of the fifth session of the Board of Supervisors of the Company.

In view of expiry of the term of office of the fourth session of the Board of Supervisors of the Company, the Board of Supervisors of the Company will proceed with the election of the new session of the Board of Supervisors after the consideration and approval of the Board of Supervisors of the Company, Mr. Xu Yiyang, Ms. Chen Yan and Mr. Jiang Yang have been nominated as candidates for Supervisors of the fifth session of the Board of Supervisors.

The appointment of the abovementioned candidates for Supervisors will subject to consideration and approval by Shareholders of the Company at the AGM. Meanwhile, the trade union of the Company is proceeding with the election of employee representative Supervisors of the fifth session of the Board of Supervisors. The elected employee representative Supervisors and the Supervisors elected at the AGM will jointly compose the fifth session of the Board of Supervisors of the Company.

The abovementioned candidates for Supervisors will enter into a service contract with the Company to perform the duties as a Supervisor of the fifth session of the Board of Supervisors of the Company after their appointments are approved at the AGM of the Company, with the term of office ends at the expiration of the fifth session of the Board of Supervisors.

Pursuant to the Articles of Association, the abovementioned candidates for Supervisors are eligible for re-election after their term of office expires. The abovementioned candidates for Supervisors will not receive any remuneration from the Company for serving as Supervisors.

The biographical details of the candidates of the fifth session of the Board of Supervisors are set out in appendix XIII to this announcement.

As of the Latest Practicable Date, the candidates for Supervisors have never received any punishment from the China Securities Regulatory Commission or other relevant authorities or any penalty from the stock exchanges. Save as disclosed in this announcement, the candidates for Supervisors confirm that they did not hold directorship in any listed company, the securities of which are listed on any securities market either in Hong Kong or overseas in the past three years; do not have any relationship with any Director, Supervisor, senior management, Substantial Shareholder of the Company or their respective subsidiaries, nor do they hold any position in the Company or any of its subsidiaries. They does not own any interest in the shares of the Company or its associated corporations (as defined in Part XV of the SFO); have no information that shall be disclosed pursuant to the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules; nor have they participated in other matters that need to be brought to the attention of the Shareholders of the Company.

The above resolution has been considered and approved on the meeting of the Board of Supervisors held on March 30, 2021 and is now submitted to the AGM for consideration and approval.

LETTER FROM THE BOARD

THE AGM

The 2020 annual general meeting of the Company will be held at 2:00 p.m. on Friday, May 28, 2021 at the Company's conference room, No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC. A notice of the AGM is set out on pages 20 to 23 of this circular.

The summary of the important dates for H Shareholders is as follows:

Last Registration Date: at or before 4:30 p.m. on Monday, May 24, 2021

Closure of Register for H Shares: Tuesday, May 25, 2021 to Friday, May 28, 2021

Submission of Proxy Form: at or before 2:00 p.m. on Thursday, May 27, 2021

In order to determine the H Shareholders' entitlement to attend the AGM, the H Share register of members of the Company will be closed from Tuesday, May 25, 2021 to Friday, May 28, 2021 (both days inclusive), during which period no transfer of H Shares will be registered. In order for H Shareholders to attend the AGM, the relevant share certificates, accompanied by all share transfer documents, must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by 4:30 p.m. on Monday, May 24, 2021. H Shareholders whose names appear on the H Share register of members of the Company on Tuesday, May 25, 2021 shall be entitled to attend and vote at the AGM.

H Shareholders should return the proxy form, or the notarized power of attorney or other authorization documents to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by hand or by post, no later than 24 hours before the time appointed for convening the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjournment thereof in person if you so wish.

The record date for determination of the qualified A Shareholders to attend the AGM and the registration date for such meeting are on Friday, May 21, 2021 and on Monday, May 24, 2021, respectively. For details, please refer to the notice of the AGM dated on Wednesday, April 28, 2021, published on the website of the Shenzhen Stock Exchange at www.szse.cn.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of Shareholders at a general meeting must be taken by poll. Therefore, the resolutions to be proposed at the AGM will be voted by poll. Results of the poll voting will be posted on the HKExnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.swhygh.com upon the conclusion of the AGM.

The aforesaid resolutions 7 to 8, resolutions 11 to 13 are special resolutions to be passed by the affirmative votes representing over two thirds of the total number of Shares held by the Shareholders attending the AGM with voting rights; the remaining resolutions are ordinary resolutions to be passed by the affirmative votes representing over one half of the total number of Shares held by the Shareholders attending the AGM with voting rights.

LETTER FROM THE BOARD

In particular, the cumulative poll method shall be adopted for the resolutions 15 to 17, i.e. the number of votes each Shareholder is entitled to shall be equal to the number of Shares with voting rights held by him/her multiplied by the number of Directors to be elected, and Shareholders may allocate his/her votes arbitrarily to candidates to the extent of the number of Directors to be elected (he/she can allocate no vote to any candidate) provided that the total number of votes allocated shall not be more than the number of votes he/ she is entitled to.

Pursuant to Rule 2.15 of the Listing Rules, where Shareholders' approval is required with regard to a transaction, any shareholder that has a material interest in such transaction shall abstain from voting on the resolution(s) on whether or not to approve such transaction at the Shareholders' general meeting.

As far as the Directors are aware as at the Latest Practicable Date, the Shareholders who have a material interest in the resolution 6.1, i.e. JIC and Central Huijin, will abstain from voting on the resolution 6.1; the Shareholders who have a material interest in the resolution 6.2, i.e. Shanghai Jiushi (Group) Co., Ltd., Sichuan Development Holding Co., Ltd. and Shanghai Automotive Asset Management Co., Ltd., will abstain from voting on the resolution 6.2. As at the Latest Practicable Date, JIC directly holds 6,596,306,947 Shares with voting rights of the Company (representing approximately 26.34% of the total issued share capital of the Company), Central Huijin directly holds 5,020,606,527 Shares with voting rights of the Company (representing approximately 20.05% of the total issued share capital of the Company), Shanghai Jiushi (Group) Co., Ltd. directly holds 1,212,810,389 Shares with voting rights of the Company (representing approximately 4.84% of the total issued share capital of the Company), Sichuan Development Holding Co., Ltd. directly holds 939,043,633 Shares with voting rights of the Company (representing approximately 3.75% of the total issued share capital of the Company), and Shanghai Automotive Asset Management Co., Ltd. directly holds 75,210,695 Shares with voting rights of the Company (representing approximately 0.30% of the total issued share capital of the Company). Save as disclosed above, no Shareholder is considered to have a material interest in any of the resolution proposed at the AGM and has to abstain from voting at the AGM approving the resolution.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the above resolutions are in the best interests of the Company and its Shareholders as a whole. Therefore, the Board recommends you to vote in favor of the relevant resolutions set out in the notice of the AGM attached to this circular.

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

NOTICE OF THE 2020 ANNUAL GENERAL MEETING



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)

NOTICE OF THE 2020 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2020 annual general meeting (the “AGM”) of Shenwan Hongyuan Group Co., Ltd. (the “Company”) will be held at 2:00 p.m. on Friday, May 28, 2021 at the Company’s conference room, No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC to consider and, if thought fit, approve the following resolutions (special resolution is marked by *).

ORDINARY RESOLUTIONS

1. To consider and approve the 2020 work report of the Board of Directors
2. To consider and approve the 2020 work report of the Board of Supervisors
3. To consider and approve the 2020 annual financial report
4. To consider and approve the 2020 profit distribution plan
5. To consider and approve the 2020 annual report
6. To consider and approve the resolution regarding the estimated ordinary related party transactions for 2021
 - 6.1 Ordinary related party transactions with China Jianyin Investment Ltd. and its subsidiaries
 - 6.2 Ordinary related party transactions with other related parties
7. *To consider and approve 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. *To consider and approve the resolution regarding the Shareholder Return Plan of the Company for the Next Three Years (2021–2023)
9. To consider and approve the resolution regarding the provision of guarantee for Hongyuan Hengli (Shanghai) Industrial Co., Ltd.
10. To consider and approve the resolution regarding the appointment of auditors of the Company for 2021
11. *To consider and approve the resolution regarding the amendments to the Articles of Association

NOTICE OF THE 2020 ANNUAL GENERAL MEETING

12. *To consider and approve the resolution regarding the amendments to the Rules of Procedure of the Board of Directors
13. *To consider and approve the resolution regarding the amendments to the Rules of Procedure of the Board of Supervisors
14. To consider and approve the resolution regarding the amendments to the Plan of Granting Authorization by the General Meeting to the Board of Directors (2020)
15. To consider and approve the resolution regarding the election of candidates for non-independent Directors of the fifth session of the Board of Directors of the Company
 - 15.1 To consider and approve the election of Mr. Chu Xiaoming as an executive Director of the fifth session of the Board of Directors of the Company
 - 15.2 To consider and approve the election of Mr. Yang Wenqing as an executive Director of the fifth session of the Board of Directors of the Company
 - 15.3 To consider and approve the election of Mr. Huang Hao as an executive Director of the fifth session of the Board of Directors of the Company
 - 15.4 To consider and approve the election of Ms. Ge Rongrong as a non-executive Director of the fifth session of the Board of Directors of the Company
 - 15.5 To consider and approve the election of Mr. Ren Xiaotao as a non-executive Director of the fifth session of the Board of Directors of the Company
 - 15.6 To consider and approve the election of Mr. Zhang Yigang as a non-executive Director of the fifth session of the Board of Directors of the Company
 - 15.7 To consider and approve the election of Mr. Zhu Zhilong as a non-executive Director of the fifth session of the Board of Directors of the Company
16. To consider and approve the resolution regarding the election of independent Directors of the fifth session of the Board of Directors of the Company
 - 16.1 To consider and approve the election of Ms. Yeung Siuman Shirley as an independent non-executive Director of the fifth session of the Board of Directors of the Company
 - 16.2 To consider and approve the election of Mr. Wu Changqi as an independent non-executive Director of the fifth session of the Board of Directors of the Company
 - 16.3 To consider and approve the election of Mr. Chen Hanwen as an independent non-executive Director of the fifth session of the Board of Directors of the Company
 - 16.4 To consider and approve the election of Mr. Zhao Lei as an independent non-executive Director of the fifth session of the Board of Directors of the Company

NOTICE OF THE 2020 ANNUAL GENERAL MEETING

17. To consider and approve the resolution regarding the election of Supervisors of the fifth session of the Board of Supervisors of the Company

17.1 To consider and approve the election of Mr. Xu Yiyang as a Supervisor of the fifth session of the Board of Supervisors of the Company

17.2 To consider and approve the election of Ms. Chen Yan as a Supervisor of the fifth session of the Board of Supervisors of the Company

17.3 To consider and approve the election of Mr. Jiang Yang as a Supervisor of the fifth session of the Board of Supervisors of the Company

OTHER MATTER

18. To listen to the work report of independent Directors

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

Beijing, the PRC
April 28, 2021

As at the date of this notice, the Board of Directors comprises Mr. Chu Xiaoming and Mr. Yang Wenqing as Executive Directors; Mr. Chen Jianmin, Mr. Wang Honggang, Ms. Ge Rongrong, Mr. Ren Xiaotao and Mr. Zhang Yigang as Non-executive Directors; Ms. Ye Mei, Mr. Xie Rong, Ms. Huang Danhan and Ms. Yeung Siuman Shirley as Independent Non-executive Directors.

Notes:

1. In order to determine the H Shareholders' entitlement to attend the AGM, the H Share register of members of the Company will be closed from Tuesday, May 25, 2021 to Friday, May 28, 2021 (both days inclusive), during which period no transfer of H Shares will be registered. In order for H Shareholders to attend the AGM, the relevant share certificates, accompanied by all share transfer documents, must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by 4:30 p.m. on Monday, May 24, 2021. H Shareholders whose names appear on the H Share register of members of the Company on Tuesday, May 25, 2021 shall be entitled to attend and vote at the AGM.
2. Any Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote on his/her/its behalf at the AGM. A proxy needs not be a Shareholder of the Company.

The proxy form shall be signed by the Shareholder or his/her/its attorney who has been authorized in writing or, in the case of a corporation as a Shareholder, must either be executed under its common seal or under the hand of its legal representative, director(s) or duly authorized attorney(s). In case of joint holders of the Shares, this form of proxy must be signed by the joint holder whose name stands first in the register of members of the Company.

H Shareholders are required to return the proxy form or the notarized power of attorney or any other authorization documents to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by hand or by post no later than 24 hours before the time appointed for convening the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjournment thereof in person if you so wish.

NOTICE OF THE 2020 ANNUAL GENERAL MEETING

3. In case of joint shareholders and if more than one joint shareholder in person or by proxy attend the meeting, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted as the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand on the register of members of the Company in respect of the joint shareholding.
4. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), all votes of shareholders at a general meeting must be taken by poll. Therefore, all resolutions to be proposed at the AGM will be voted by poll.

The aforesaid resolutions 7 to 8 and resolutions 11 to 13 are special resolutions to be passed by the affirmative votes representing over two thirds of the total number of Shares held by the Shareholders attending the AGM with voting rights; other resolutions are ordinary resolutions to be passed by the affirmative votes representing over one half of the total number of Shares held by the Shareholders attending the AGM with voting rights.

In particular, the cumulative poll method shall be adopted for the resolutions 15 to 17, i.e. the number of votes each Shareholder is entitled to shall be equal to the number of shares with voting rights held by him/her multiplied by the number of Directors to be elected, and Shareholders may allocate his/her votes arbitrarily to candidates to the extent of the number of Directors to be elected (he/she can allocate no vote to any candidate) provided that the total number of votes allocated shall not be more than the number of votes he/she is entitled to.

Pursuant to Rule 2.15 of the Listing Rules, where shareholders’ approval is required with regard to a transaction, any shareholder that has a material interest in such transaction shall abstain from voting on the resolution(s) on whether or not to approve such transaction at the shareholders’ general meeting.

As far as the Directors are aware as at the date of this notice, the Shareholders who have a material interest in the resolution 6.1, i.e. China Jianyin Investment Ltd. and Central Huijin Investment Ltd., will abstain from voting on the resolution 6.1; the Shareholders who have a material interest in the resolution 6.2, i.e. Shanghai Jiushi (Group) Co., Ltd., Sichuan Development Holding Co., Ltd. and Shanghai Automotive Asset Management Co., Ltd., will abstain from voting on the resolution 6.2. Save as disclosed above, no Shareholder is considered to have a material interest in any of the resolution proposed at the AGM and has to abstain from voting at the AGM approving the resolution.

5. The contact details of the place of business of the Company are as follows:

Contact Address: 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: 830011/100033

Contact Person: Peng Xiaojia/Li Dan

Telephone No.: (+86) 991 2301870/(+86) 10 88085057

Facsimile No.: (+86) 991 2301779/(+86) 10 88085059

6. The AGM is expected to last for half a day. Shareholders or their proxies attending the AGM shall be responsible for their own travelling and accommodation expenses.

SHENWAN HONGYUAN GROUP CO., LTD.
2019 WORK REPORT OF THE BOARD OF DIRECTORS

In 2020, as COVID-19 had a huge impact on the global economy, the international situation was complicated, and the domestic reform, development and stability tasks were arduous and onerous. In the context of accelerating the construction of a new development pattern with domestic circulation as the main part and mutual promotion of domestic and international circulations, the capital market had an unprecedented important position in economic operations, the intensity of reform and opening up was unprecedented, and the securities industry ushered in a valuable opportunity for development. In order to implement the new development concept, effectively improve the quality of listed companies and promote the healthy development of the capital market, the CSRC launched a special action on the governance of listed companies based on the overall opinions of the State Council, and the exchanges continues to strengthen front-line supervision responsibilities and the market-oriented and legalized supervision was continuously deepened. As at the end of 2020, the SSE Composite Index closed at 3,473.07 points, representing an increase of 13.87% as compared to the beginning of the year; and the SZSE Component Index closed at 14,470.68 points, representing an increase of 38.73% as compared to the beginning of the year.

The year of 2020 was the year of departure after the fifth anniversary of the merger and reorganization of Shenwan Hongyuan, and also the final year of the strategic planning of the Company's three-year development and the year of reform for continuous improvement of the top-level design. Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company earnestly implemented the spirit of the 19th National Congress of the Communist Party of China and the 2nd, 3rd, 4th and 5th Plenary Sessions of the 19th Central Committee of the Communist Party of China. In accordance with the work requirements of the Party Central Committee and the Party Committee of CIC, the Company practiced the responsibilities as a state-owned financial enterprise and earnestly implemented the "three major tasks" of financial work. To achieve the goal and task of improving competitiveness, the Company followed the general principle of "consolidating the management foundation, achieving key breakthroughs, and comprehensively improving the quality of development", adopted an innovative profit model, created new growth drivers, and accelerated system and mechanism reform and improvement of management capabilities, to comprehensively enhance the Company's market competitiveness and profitability. While earnestly implementing the "six stabilisations" and "six guarantees" tasks, the Company adhered to the general principle of "striving for progress while maintaining stability" and new development concept, continued to expand its strategic layout, enhance its business capabilities, and consolidate its management foundation, and achieved good results in all aspects. The Company recorded consolidated revenue of RMB29.409 billion, net profit attributable to shareholders of the parent company of RMB7.766 billion, basic earnings per share of RMB0.31 per share and a weighted average return on equity of 9.05%.

I. Main Work in 2020

(I) Implementation of the work deployment of "six stabilisations" and "six guarantees" to manifest the responsibilities as a state-owned financial enterprise

The Board of Directors of the Company promoted the management of the Company to serve the real economy centering on the three major financial tasks and implement the work deployment of "six stabilisations" and "six guarantees", to practically ensure the "safety in three aspects", i.e. employees, customers and business. The Company proactively provided financial support for the "six stabilisations" and "six guarantees" projects and continued to make investment in private and micro, small and medium-sized enterprises, to make a strong contribution to alleviating the financing difficulties of micro, small and medium-sized enterprises. Financial expertise was leveraged to support the resumption of

work and production of enterprises, and support small and medium-sized enterprises to become bigger and stronger through equity financing, corporate debt financing, and local debt financing. The Company adopted innovative financial instruments to help epidemic prevention and control, respond to the call to actively sell special epidemic prevention and control bonds. A variety of financial instruments including bulk commodities, OTC derivatives, basis trading, etc. were used to solve the problems with people's livelihood caused by the epidemic, and the Company issued the first anti-epidemic quasi-REITs of central state-owned enterprise in the PRC. In respect of relief and exemption for clients, the Company reduced or exempted the expenses of listed companies in Hubei and those whose operations were severely affected by the epidemic and implement policies including deferred repayment and reduction of liquidated damages in response to the cash flow crisis of certain listed companies as shareholders.

(II) Proactive promotion of the implementation of strategies, assisting in organization of strategic evaluation and formulation of new strategies

The year of 2020 was the final year of the strategic planning of the Company's three-year development. The Board of Directors of the Company proactively promoted the management to strengthen the effective connection between strategic planning and operation management, and formulated annual key work arrangements and operation management plans under the guidance of strategies. It optimized and perfected the performance evaluation system in line with strategies and continuously strengthened the evaluation constraints for the implementation of strategies, to effectively promote and improve the implementation of strategies. In order to effectively respond to the new situation and changes, the Company summarized the implementation of strategies in a timely manner, clarified the future strategic direction, and optimized the long-term mechanism of strategic management. The Board of Directors proactively promoted and assisted the organization of the Company's strategic evaluation and formulation of new strategies. On the basis of in-depth investigations and interviews, the Board of Directors reviewed and evaluated the implementation of the previous strategic period. Adhering to "formulation of strategies in an open way", it conducted in-depth special discussions, extensively listened to the opinions of all parties, and drafted new strategic plans, to ensure that the new strategies fully built consensus and effectively integrated with operations.

Firmly adhering to the strategic development direction of "investment + investment banking", the Board of Directors endeavoured to promote the establishment of the Company's endogenous development mechanism and optimize the top-level design, to release organizational vitality and consolidate basic management. **First, promotion of regional layout**, to continuously proceed with "five regions" and proactively prepare the construction of "five funds". The Board of Directors strengthened regional layout and resource input and established the development committees for the "five regions", to comprehensively enhance the coordination of customers, business and human resources and improve the overall business competitiveness of the Company's business in the "five regions", i.e. the Yangtze River Delta, Beijing-Tianjin-Hebei Region, Southwest China, Guangdong-Hong Kong-Macao Greater Bay Area and Xinjiang. With the focus placed on key industries and fields, the Board of Directors proceeded with the construction and implementation of "Five Industry Funds and Science and Technology Innovation Funds" in high-tech areas including Zhangjiang and Lingang New Areas in Shanghai, Wuhan Optics Valley, Zhongguancun in Beijing, Shenzhen, and Suzhou. **Second, promotion of the layout of financial technology**. System integration was accomplished, and priority was given to promotion of the innovation and application of new technologies in all business segments to achieve information technology transformation of "digitization, datamation, and quantification" and comprehensively promote data governance. **Third, promotion of international layout**. The Board of Directors promoted the reform of domestic and overseas integration of various business lines, straightened the management level in Singapore, and strengthened the penetrating integrated management and control of overseas subsidiaries.

The Company was awarded the BBB long-term rating of Standard & Poor's and the Baa2 international rating of Moody's. **Fourth, deepening organizational reform.** The customer-centric business philosophy was fully implemented in the securities company, organizational structure reform was comprehensively initiated in the "eight fields" of retail, asset management, investment transaction, large investment banking, institution, international, strategic customer, and asset operation, and investment platform integration was implemented in the group company. **Fifth, comprehensive promotion of the reform of human resources.** The Board of Directors improved employee promotion channels, optimized rank and salary structure, and strengthened the introduction and internal cultivation of leading talents.

(III) Enhancement of the construction of compliance and comprehensive risk prevention and control system, and continuous reinforcement of the effectiveness of internal control

The Board of Directors of the Company guided the management to comprehensively streamline the compliance risk control system, continued to strengthen compliance management, and revise and improve a number of important compliance risk management systems. It further optimized the risk management organizational structure, and explored the establishment of a vertical management model for compliance risk management personnels in business units. While strengthening risk inspections, the comprehensive risk management system throughout the entire business process and with full coverage was continuously optimized. With the implementation of new anti-money laundering regulations, the anti-money laundering systems and mechanisms were optimized on a continuous basis, to improve the functions of the anti-money laundering-related system. The internal control was strengthened and standardized to constantly improve the Company's operation management level and risk prevention capabilities. The Board of Directors sorted out and standardized the management level of subsidiaries and strengthened the "negative list" management, to improve the effectiveness of the Company's internal linkage. Shenwan Hongyuan Securities, a subsidiary of the Company, was awarded Class A Grade AA rating in the classified evaluation of securities companies.

(IV) Continuous promotion of the deepening of business collaboration, lifting the Company's operating performance and competitiveness to a higher level

The management was promoted to focus on the main line of integrated development of the Group and securities by closely centering on the direction of high-quality development and reform of the capital market, proactively explore and practice "investment + investment banking" synergy, and deepen the synergy between the group company and securities company. Breakthroughs were achieved in certain regions and business areas, which gradually presented a trend of coordinated development of teams, businesses, and mechanisms. The group company made investment in capital markets and securities companies. Hongyuan Huizhi deepened business collaboration with securities companies, to expand their collaborative operations to standard bonds, exchangeable bonds, convertible bonds, derivatives and other investment fields, as well as bond underwriting, brokerage custody, margin refinancing and other integrated business fields. Hongyuan Huifu and securities companies developed comprehensive financial services oriented towards industrial investment for large-scale enterprises, and collaborative projects and revenue continued to increase since the proactive development of comprehensive financial services. Hongyuan Futures and securities companies carried out normalized cooperation in the fields of IB business, OTC derivatives business, and asset management business, and achieved good synergies.

During the reporting period, the group company and the securities company proceeded with coordinated development, and the operating performance and competitiveness were lifted to a higher level. In respect of the **enterprise finance segment**, by proactively leveraging on the favourable opportunities arising from the main board, ChiNext Board, and NEEQ, the Company accumulatively completed 7 IPO projects and 5 projects of the selective layer of the NEEQ; the number of approved merger and acquisition

projects ranked the 7th in the industry; the Company ranked the first in the industry in terms of the accumulated number of enterprises for which the Company recommended for listing on the NEEQ, the number of private placement projects and the number of enterprises subject to continuous supervision of the Company. The amount of corporate bonds and financial bonds for which the Company served as the lead underwriter ranked the 9th in the industry. Centering on improvement of services for the entire industry chain of investment and financing, investment and investment banks closely coordinated to increase investment in real economy and serve the development of key regions. As to **personal finance segment**, by focusing on high-end clients, product sales, quantitative private equity business and fund investment advisory, the first-mover advantages of mutual fund investment advisory qualifications were utilized to proactively build a wealth management system. The Company took the lead in opening a securities lending management platform in the industry to provide clients with convenient online trading matching services. For the **institutional sales and trading segment**, the Company consolidated traditional advantages, strengthened the collaborative development of institutional business, initiated a new phase of cooperation with banks, and steadily developed sales and trading business. As a result, the bond investment business maintained a leading position in the industry. Meanwhile, the Company increased investment in derivatives, margin financing and securities lending, market making, and other low- and medium-risk businesses, and optimized and adjusted the asset allocation structure in a timely manner based on changes in market conditions, to steadily increase the rate of return on assets. In addition, the Company obtained a number of qualifications for innovative businesses including the qualification of primary dealers for OTC options, qualification of main market maker of the Shanghai Stock Exchange 50ETF options, no-objection letter regarding the qualification of market maker of commodity futures, qualification of main market maker of the STAR market for four 50ETF fund, inter-bank market interest rate option transactions and the qualification for core dealer of standard bond forward business and credit protection contract of the Shenzhen Stock Exchange. In terms of **investment management segment**, the transformation of asset management business was accelerated by focusing on professional reform and improvement of active management capabilities. The product creation capability, asset appreciation capability, business extension capability, and core competitiveness have been greatly improved. The overall investment performance of various mutual fund management businesses including active equity, quantitative index and fixed income maintained excellent. The development of private equity fund management business focused on key regions and key clients.

(V) Continuous reinforcement of the building of the Board of Directors to further improve corporate governance

In 2020, the Company held 2 general meetings at which 16 resolutions were considered and approved and 1 report was heard. The Board of Directors held 9 meetings at which 38 resolutions were considered and approved and 3 reports were heard. The Audit Committee of the Board of Directors held 6 meetings. The Risk Control Committee of the Board of Directors held 2 meetings. The Remuneration and Nomination Committee of the Board of Directors held 5 meetings. In accordance with the needs of the internationalization of corporate governance after the listing of A + H shares, the Board of Directors of the Company continued to strengthen its own standardized construction and efficient operation, to enhance the scientificity of decisions. Basic systems including the Articles of Association and the Rules of Procedure of the General Meeting were revised and perfected. The nomination, election and appointment of directors were performed in a prudent and steady way, and the structure of the Board of Directors was optimized on the basis of strengthening the internal check and balance of the Board of Directors. In strict accordance with the requirements on listing of A + H shares, the Company ensured standardized operation in terms of management and control of related party (connected) transactions, independence of listed company, code of conduct of substantial shareholders, internal control, deposit and management of proceeds, etc.

The Board of Directors proactively guided the Company's preparation and disclosure of high-quality periodic reports and interim reports. The Company completed the preparation and disclosure of a total of 412 reports on A shares and H shares including four periodic reports and other interim reports. The major issues of the Company were disclosed in an open, fair, timely, accurate and complete manner. The Company continued to strengthen the management and internal guidelines in terms of information reporting on major issues, further optimized the information reporting and management working mechanism for both A shares and H shares, and built an efficient mechanism for information transfer between and coordinated standard operation of the parent company and subsidiaries. The Board of Directors of the Company carefully reviewed the Company's announcements and relevant information, viewed the public information released by the Company, paid attention to reports and information about the Company, and conducted a self-inspection on the implementation of the Company's information disclosure management system. Self-inspection indicated that in 2020, the Company disclosed all major information in strict accordance with the requirements on information disclosure in laws and regulations following the principles of openness, fairness, timeliness, accuracy and completeness, to ensure that investors were aware of the Company's major operations and decisions in a timely manner, and there were no major flaws in the implementation of the Company's information disclosure management system. The Company was rated as "A" again in the assessment of annual information disclosure of the Shenzhen Stock Exchange.

The Board of Directors of the Company attached great importance to and proactively supported the investor relations management. Through active, interactive, professional and efficient investor communication, it established effective interaction with the capital market to enhance the Company's transparency and safeguard investors' rights. During the reporting period, scores of meetings and events including annual results presentation, results roadshows, brokers meetings, and analyst surveys were held. The Company proactively participated in the investor collective reception day event held by Xinjiang Branch of the CSRC, the "2020 World Investor Week" and other events. It strengthened communication with all shareholders, the media and the public through various means, to create a company image respected by investors and welcomed by the capital market. The Company, upholding the fundamental concept of serving investors, earnestly conducted management of shares, implemented the 2019 profit distribution plan and continued to improve the shareholder return mechanism, to proactively return shareholders and protect shareholders' legitimate interests.

(VI) Proactive discharge of social responsibilities and serving the development of the real economy

During the reporting period, the Company always upheld its core values in pursuit of healthy, sustainable and stable development, and promoted itself to give back to the society in various ways by making new positive contributions to the promotion of coordinated economic and social development. The Company proactively supported various national reform measures and industrial innovation, transformation and upgrading, increased investment in the real economy, and improved direct financing services in terms of shares, bonds, and the NEEQ. As a listed company with the registered address located in Xinjiang, it proactively supported the economic and social development of Xinjiang, with a view to contributing to the supply-side structural reform and the construction of a multi-level capital market. To effectively protect the legitimate interests of shareholders, in particular minority shareholders, the Company discharged its responsibilities for shareholders through continuous improvement of corporate governance structure, strengthening construction of internal control, strict implementation of information disclosure obligations, enhancement of investor relations management and formulation of shareholder return plan. With the "customer-centric" concept throughout the entire business development process, the Company provides clients with three-dimensional, professional and personalized comprehensive financial services to improve customer satisfaction in terms of innovation of financial products, construction of investment platform, optimization of customer service channels and service experience, and investor education. Always adhering to putting people first, the Company regards human resources as the primary resource for its development,

proactively expanded the career development space for employees, and created good working conditions and atmosphere for employees, to discharge its responsibilities to employees. As a state-owned listed company, it proactively adheres to the concept of contributing value to the society. While creating good economic benefits, the Company pays taxes in good faith according to law, conducted comprehensive risk management to strictly prevent commercial bribery, and put great efforts on the long-term mechanism for security and stability maintenance. For targeted poverty alleviation, the Company always regards targeted assistance and support as an important reflection of practicing the “two maintenances” and the responsibility of state-owned financial enterprises. The Company constructed the ecommerce platform of CIC and formulated the annual poverty alleviation plan as a proactive response to the “One Company for One County” paired assistance initiative of the Securities Association of China, and continued to conduct targeted poverty alleviation in “six counties, one district and one village”, i.e. Huining County in Gansu Province, Maigaiti County and Jimunai County in Xinjiang, Xi County in Shanxi Province, Baiyu County and Jinyang County in Sichuan Province, Qianjiang District in Chongqing, and Gaobei Village in Shibing County of Guizhou Province, striving to overcome the difficulties and pain points of the people’s livelihood; it supports the local collective economy, characteristic industries and leading enterprises in the poverty-stricken areas to grow bigger and stronger, to consolidate the foundation for poverty alleviation in poverty-stricken areas; and exerts its professional advantages to strengthen poverty alleviation through finance and improve the quality of poverty alleviation and cultivates a poverty alleviation culture which everyone in the Company participates in and everyone cares about. It always complies with the national requirements on environmental protection and sustainable development, striving to create good social benefits, fully discharge its social responsibilities, and proactively assume social obligations, with a view to becoming an excellent corporate citizen and developing and progressing with the society.

II. Key Work Arrangements for 2021

The year of 2021 is the first year of the “14th Five-Year” Plan, the 100th anniversary of the founding of the Communist Party of China, and the first year of the Company’s new round of development strategy. As a state-owned financial enterprise with faith and responsibility, the Company’s reform and development will initiatively follow the trend of the times and proactively serve the national strategy. In 2021, the Board of Directors of the Company will continue to advance good and effective corporate governance, and promote the Company to fully adapt to the requirements of the national “14th Five-Year Plan” on building a new development pattern, to effectively strengthen the connection between corporate strategy and national strategy, and identify its own competitive advantages and strong aspects, and lead the improvement of core competitiveness through strategy. The focus will be placed on the following aspects.

(I) Insistence on “six stabilisations” and “six guarantees” to serve the national strategy and the real economy

The Board of Directors of the Company will continue to guide and promote the management to give full play to the advantages of financial expertise to help enterprises affected by the epidemic to overcome the tight capital chain and operating cyclical difficulties and actively solve the difficulties and blockages in economic recovery. Persistent efforts will be unwaveringly exerted to serve the development of the real economy and provide precise financial support. While intensifying investor education, effective measures will be taken to remind and guide clients and emergency plans will be formulated for protection of investors under extreme circumstances. The Board of Directors will firmly establish the concept of inclusive finance with the focus on the strategies of manufacturing power, quality power, network power, and digital China as proposed in the “14th Five-Year” Plan. More investment and financing support will be provided for national strategic emerging industries including technological innovation, green development, and manufacturing. All-round services will be provided for small and medium-sized enterprises in terms of investment and financing, mergers, acquisitions and restructuring, and strategic consulting.

(II) Assistance in the organization of formulation of a new development plan and consolidation of strategic layout

The Board of Directors of the Company will promote and assist in organizing the Company to study and formulate a new development plan in accordance with the requirements of fully adapting to the new development pattern on the basis of summarization of the implementation of the previous strategic period, so as to align it with the national strategy and the actual situation of the Company's operations, and proceed with the decomposition and implementation of the new strategy, to further strengthen the leading role of strategy and consolidate the strategic layout. **Relying on the listing of A+H shares as the platform**, the capital strength will be strengthened through multiple channels and at multiple levels, and an overall plan will be developed on use of funds, to improve the capital layout. **Through acceleration of digital operation transformation**, the Board of Directors will improve the top-level design of financial technology, accelerate data governance, adhere to business driving, and build business middle ground and data middle ground, to integrate and improve system functions, form a synergy to support digitalization, and strengthen the endogenous development momentum of financial technology, thus to consolidate the financial technology layout. **With the qualification for pilot cross-border business**, the Board of Directors will strengthen the integrated management of domestic and foreign businesses, study the organizational system and decision-making system of cross-border business, and the improve overseas outlets, capital and personnel input, to consolidate the international layout. **Through stabilisation of the fundamentals and development of businesses in line with the trends**, the Company will adapt to the market characteristics of institutionalization, productization, and integration, to fully promote the Company's transformation from traditional brokerage business, proprietary business, and channel business to wealth management and integrated business, to build transaction-oriented and value-oriented investment banking and consolidate the layout of business transformation.

(III) Promotion of the Company to accelerate the construction of core capabilities and enhance overall competitiveness

The Board of Directors of the Company will support the management to be customer-centric, center on the construction of core capabilities and speed up in-depth transformation of business lines. In respect of **wealth management business**, client stratification, product classification and investment advisory stratification will be conducted closely following client needs, to realize online and offline service linkage, provide clients with a full range of comprehensive financial services, and build the wealth management system and brand with the characteristics of Shenwan Hongyuan. **Investment banking business** will seize the business opportunities brought about by market expansion and deepen the development of key industries, especially the strategic emerging industries, to give play to the leading role of investment banking. For **asset management business**, the Board of Directors will adhere to stabilisation of the fundamentals, strengthen the construction of four core capabilities, i.e. investment research, risk control, channel, and sales, improve the investment research system, enhance the construction of investment research capabilities, and continuously enrich the product system. In terms of **institutional business**, on the basis of consolidating the advantages of mutual fund business, the Board of Directors will accelerate the promotion of the four transformations of product, business, research and service, propel the construction of the industry chain of integrated institutional services, and improve the coordination mechanism, to meet the comprehensive needs of institutional clients and enhance the comprehensive contribution of institutional clients. The **overseas business** will be based in the Asia-Pacific region, and the Board of Directors will speed up the layout and operation investment of overseas institutions, promote the integration of resources in the international business segment, and make good use of the qualification for pilot cross-border business. As to the **investment business**, the Board of Directors will strengthen the construction of the

investment research system and the cultivation of investment research talents, improve the risk negative list mechanism, proceed with credit rating, review and authorization, and increase the allocation of derivatives and low-volatility equity assets based on market conditions. With respect to **equity investment and fund business**, the Board of Directors will strengthen the coordination of group and securities resources, increase staff allocation, and focus on key areas and capital market.

(IV) Further deepening system and mechanism reforms to further release internal vitality

The Board of Directors of the Company will promote the management to further increase the innovation of systems and mechanisms and promote and propel domestic and international coordination and coordination between the headquarters and branches, to jointly boost the implementation of the Company's strategy. **First, in-depth promotion of the overall reform of organizational structure.** The Board of Directors will improve the matrix management structure, and further optimize the decision-making operation mechanism, intensify coordination, and give play to the Company's overall joint efforts. **Second, sound and efficient operation and service system.** the construction of the headquarters will be intensified and full support will be given to the front business department, to further enhance the Company's agility and flexibility to the market and improve the ability of quick response and adaptation to changes. **Third, comprehensive implementation of human resources reform.** Adhering to the market-based assessment mechanism, the Board of Directors will improve market-based compensation incentive system, explore equity incentives and other systems, and proactively research and promote long-term incentive mechanisms.

(V) Optimization of the corporate governance structure to improve the standard operation level of the Group

Leveraging on the special actions of the State Council and the CSRC to improve the quality of listed companies and carry out governance of listed companies, the Board of Directors of the Company will continue to improve the corporate governance structure, strengthen its self-construction, enhance its scientific decision-making capability, and promote the establishment of the self-regulation, self-enhancement and self-improvement long-term corporate governance mechanism. To strengthen information disclosure management, it will prepare and disclose high quality periodic reports and interim reports in strict accordance with domestic and overseas information disclosure requirements to prevent information disclosure risks and comprehensively improve the level of information disclosure. While further refining investor relations management, the Company will steadily increase its attention through solid internal and external research and proactive external communication, promote the market to reasonably understand the Company's valuation, and formulate a shareholder return plan to protect shareholders' legitimate interests. Further efforts will be exerted to strengthen supervision over standard operation and improve the overall standard operation level of the Group. The Company will get a full understanding of the requirements of domestic and foreign regulatory authorities on the standard operation of listed companies and strictly comply with requirements in terms of related party transaction management, code of conduct of substantial shareholders, related party (connected) transactions, and proceeds management.

(VI) Improvement of risk management and internal control system to further enhance risk management level

The Board of Directors of the Company will urge the management to resolutely implement the requirements of the central government and win the battle of prevention and control of financial risks, to prevent systematic financial risks. **First**, the construction of compliance risk control system will be improved in terms of top-level design in accordance with the requirements of management at group level

with high penetration “in all aspects throughout the entire business process and with full coverage”. **Second**, the Company will strengthen liquidity management, optimize asset allocation, and focus on allocation of pro-cyclical assets, to diversify venture investment and to reduce concentration. **Third**, the project management mechanism will be consummated and the project management systems including preloan due diligence, review at grant of loans, unified credit, verification of collaterals and pledges, post-management and risk disposal will be improved to enhance risk treatment and resolution capabilities. **Fourth**, the Company will intensify the construction of internal control system, improve the internal audit inspection, evaluation and supervision functions, and further strengthen the self-restricting mechanism.

In 2021, to achieve the Company’s overall strategic development goals, the Company will continue to improve its decision-making capabilities, and promote and support the management to proceed with business management and innovative development, striving to create good business performance and improve the Company’s position in the industry and market competitiveness. It will continuously optimize corporate governance, improve the quality of information disclosure, and optimize investor relationship management in accordance with regulatory requirements, and endeavor to create better returns for shareholders.

Please consider the above report.

SHENWAN HONGYUAN GROUP CO., LTD.
2020 WORK REPORT OF THE BOARD OF SUPERVISORS

In 2020, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Board of Supervisors of Shenwan Hongyuan Group Co., Ltd. (the “**Company**”) earnestly implemented the various decisions and deployments of the Party Central Committee, the Party Committee of CIC and the Party Committee of the Company. In strict accordance with the Company Law, the new Securities Law and the regulations on supervision of companies with A shares and H shares listed and according to the new requirements of shareholders regarding the work of the Board of Supervisors, the Board of Supervisors, with a view to implementing and improving the corporate governance structure of state-owned enterprise, maintaining and increasing the value of state-owned financial capital, and safeguarding the legitimate rights and interests of all shareholders, had an accurate positioning for supervision based on the actual conditions of the principal investment business, reform and development of the Company, performed its duties in accordance with laws and regulations in an objective, fair, scientific and effective way, and gave full play to the role as the organization for supervision of corporate governance. It proactively integrated into the overall supervision pattern within the Party and promoted the establishment of a “1+3+4+4” (one main line + three key points + four systems + four joint forces) supervision model for the legal person governance of state-owned financial enterprise, to improve the standard operation and supervision of the Board of Supervisors, advance the modernization of the corporate governance system and governance capabilities, and promote the Company’s standardized and stable operation and high-quality development.

**Part I Standardization of operation and supervision of
performance of duties by the Board of Supervisors in 2020**

I. Strict standardization of the performance of corporate governance responsibilities and earnest consideration of major issues of the Company to promote the improvement of corporate governance quality and standard operation level

In accordance with the corporate governance guidelines and standardized operation requirements of listed companies, the Board of Supervisors continuously optimized the operation specifications on resolution management, meeting preparation and information disclosure, and constantly improved the daily operation process of the Board of Supervisors. It conducted in-depth research and consideration of major issues involving shareholders’ interests and the Company’s business development in a timely manner, issued written supervision opinions and exercised the supervisory authority. A total of 4 meetings of the Board of Supervisors were held throughout the year, including 1 on-site meeting and 3 communication meetings, at which 8 resolutions were considered and approved. The main contents of the meetings are as follows:

1. The 31st meeting of the fourth session of the Board of Supervisors was held on March 27, 2020, at which the 2019 Annual Financial Report of Shenwan Hongyuan Group Co., Ltd., the 2019 Profit Distribution Proposal of Shenwan Hongyuan Group Co., Ltd., the 2019 Internal Control Evaluation Report of Shenwan Hongyuan Group Co., Ltd., the 2019 Annual Report of Shenwan Hongyuan Group Co., Ltd. and the Summary Thereof (A shares), the 2019 Annual Report of Shenwan Hongyuan Group Co., Ltd. (H shares), the 2019 Annual Results Announcement of Shenwan Hongyuan Group Co., Ltd. (H shares), and the 2019 Work Report of the Board of Supervisors of Shenwan Hongyuan Group Co., Ltd. were considered and approved;
2. The 32nd meeting of the fourth session of the Board of Supervisors was held on April 29, 2020, at which the 2020 First Quarterly Report of Shenwan Hongyuan Group Co., Ltd. was considered and approved;

3. The 33rd meeting of the fourth session of the Board of Supervisors was held on August 28, 2020, at which the 2020 Semi-annual Report of Shenwan Hongyuan Group Co., Ltd. and the Summary Thereof, the 2020 Interim Report of Shenwan Hongyuan Group Co., Ltd. and the 2020 Interim Results Announcement of Shenwan Hongyuan Group Co., Ltd. were considered and approved;
4. The 34th meeting of the fourth session of the Board of Supervisors was held on October 30, 2020, at which the 2020 Third Quarterly Report of Shenwan Hongyuan Group Co., Ltd. was considered and approved.

The above contents and procedures of the meetings of the Board of Supervisors are in compliance with the Rules of Procedure of the Board of Supervisors and related regulations, and were promptly announced in strict accordance with the information disclosure system. In addition, the members of the Board of Supervisors attended the general meetings in accordance with the regulations, and the Board of Supervisors made work report to the general meetings in accordance with the law and fully fulfilled all relevant obligations.

The Board of Supervisors adhered to the correct handling of the relationship between strengthening Party leadership and improving corporate governance. It regarded the research and discussion of the Company's Party committee as a pre-procedure for the Board of Supervisors to consider and decide on major issues, and implemented the Party committee's intentions into the supervision of the decision-making behavior of the Board of Directors and management's performance effectiveness, to ensure the correct direction of the Company's reform and development. The Board of Supervisors despatched members to participate in the special supervision of the implementation of the "six stabilisations" and "six guarantees" by the discipline inspection commission of the Company and the special re-inspection and supervision of the Group's operation and management, to promote the close integration of the supervision of the Board of Supervisors with the strict Party self-discipline and corporate governance. The Board of Supervisors maintained close communication and exchanges with the Party committee, the Board of Directors, and management of the Company, and promoted the formation of a modern corporate governance mechanism in which the organizations performed their respective duties and assumed their respective responsibilities, engaged in coordinated operations, and achieved effective checks and balances.

II. Full implementation of the duty performance supervision function, enhancement of the supervision over the performance of duties in the Company by directors and senior management personnel, to promote the performance of duties by the Board of Directors, the management and their members

1. **Full supervision over the performance of duties by the Board of Directors, the management and their members.** In 2020, the Board of Supervisors organized supervisors to attend the 6 meetings of the Board of Directors and 6 meetings of the special meetings under the Board of Directors to fully understand and evaluate major issues including the implementation of the Company's strategies, election and appointment of directors and senior management, organizational structure adjustment, preparation and execution of business plan, internal control and risk management, and provided on-site supervision over the attendance of meetings, expression of opinions and voting of directors and senior management. At the same time, supervisors and personnel of the Board of Supervisors maintained continuous attention to the Company's important decisions and the implementation there by participating in or attending the general manager's office meeting and important business management meetings. In the course of the above work, the Board of Supervisors focused on the implementation of effective supervision over the implementation of deployment of the central government, the three major tasks of financial work and servicing national strategy by the Board of Directors and the management,

the implementation of the resolutions approved at the general meetings, the decision-making in accordance with corporate governance procedures, the timeliness and effectiveness of information disclosure, the operation and performance of duties of the special committees under the Board of Directors, the performance of due diligence by the directors and senior management, etc.

2. **Continuous improvement of performance evaluation.** On the basis of supervision over daily performance of duties, as well as the inspection of senior management's duty performance benefits and business expenditures, the Board of Supervisors studied the work report of the Board of Directors, the work report of the management, and the annual personal work report of directors and senior management members and other related materials with the performance evaluation methods, objectively evaluated the performance of duties by the Board of Directors, the management and their members in the previous year in terms of work performance, due diligence and risk management, put forward suggestions for improvement and formed an annual report of performance evaluation opinions on the Board of Directors, the management and their members. The evaluation opinions are reference basis for annual assessment of leaders of the Company.

III. Effective implementation of the financial supervision function, and enhancement of the supervision over major financial matters and review of periodic reports, to promote the improvement of financial management

1. **Enhancement of supervision over the decisions on major financial matters and the implementation thereof.** The Board of Supervisors organized supervisors to attend the meetings of the Board of Directors, the audit committee of the Board of Directors and the management, participate in the discussion and study on major financial matters of the Company including public issuance of bonds, related party transactions, financial budget and final accounts, profit distribution, etc., and pay attention to the decision-making process of major financial matters and implementation of decisions. The Board of Supervisors re-supervised the work of the Company's internal audit and internal control departments, made full use of its work results to carry out daily inspections, and focused on the accomplishment of the Company's main financial and operating indicators, the provision for impairment of financial assets, and the improvement of financial management to promote improvement of asset and liability management. In the above work process, the Board of Supervisors strengthened the study and analysis of capital investment and investment risks based on the operation characteristics of the Company, and paid attention to the Company's support to serve the real economy and strengthen investment risk control, etc., to promote the Company to better fulfill its political responsibilities and serve the development of the capital market.
2. **Enhancement of the supervision and review of the preparation of periodic reports.** Supervisors were organized to attend the meetings between independent directors and the Company's management and auditors in charge of annual audit, conduct face-to-face communication with the management and auditors in charge of annual audit, participate in discussion and analysis in relation to the preparation of periodic reports of the Company, financial matters and audit recommendations, follow up the Company's annual report preparation procedures, independent directors' implementation of the annual report work system and the work of auditors in charge of annual audit, and supervise the execution of accounting policies, major financial matters and preparation of financial reports. The Board of Supervisors audited the Company's 2019 annual report, 2020 first quarterly report, 2020 semi-annual report and interim report, and 2020 third quarterly report through reviewing the periodic reports prepared by the Board of Directors, the annual audit report issued by the accounting firm and the report on the agreed procedures, and issued independent objective and fair opinions thereon.

IV. Enhancement of supervision over the whole process of risk internal control for risks and problems to promote improvement of the Company's ability to prevent and resolve risks

- 1. Reinforced supervision over risks with investment decision-making.** In view of the actual situation of remodeling of the new investment decision-making management system by the Company after the integration of the group company's investment platform and investment business, the Board of Supervisors implemented supervision of investment project risks at source in investment decision-making. Through study on investment plans and risk compliance review and evaluation opinions and attendance of decision-making meetings of the investment management committee, the Board of Supervisors listened to and participated in analysis and discussion of investment risks, paid attention to the performance of duties by the members attending the meetings, and urged the Company to make good investment decisions and strengthen risk control at source.
- 2. Enhanced supervision over daily risk monitoring.** The Board of Supervisors established a risk identification mechanism. Key risk supervision indicators were established for dynamic monitoring and analysis of the overall risk, credit risk, and market risk of the group company, and track the potential risks of important investment projects and the progress of risk resolution. The risks were clearly disclosed in the form of weekly report on comprehensive risks, work information of the Board of Supervisors, etc. to urge the Company to attach great importance and effectively respond to the risks.
- 3. Intensified supervision of internal risk control system.** The Board of Supervisors continued to track the Company's internal control construction and risk management process. It attended the meetings of the risk control committee and audit committee of the Board of Directors to study the Company's risk management and major risk analysis report, followed up and paid attention to the effectiveness of risk management work, and issued independent supervision opinions on the Company's annual internal control evaluation report. It regularly supervised the rectification of internal control defects and the implementation of audit opinions, and promoted the group company to improve the penetrating compliance risk control system and operating mechanism with full coverage.

V. Proactive expansion of supervision methods and implementation of special survey and inspection closely in line with the actual operation and management conditions, to improve the effectiveness of the supervision by the Board of Supervisors

- 1. Special survey on the governance of subsidiaries and the operation of the supervisors (Board of Supervisors).** In order to strengthen the construction of the supervision system of the Board of Supervisors and promote the establishment of a penetrating control model, the Board of Supervisors organized relevant functional departments of the Company to form a special research group, understand and evaluate the governance of subsidiaries, the performance of duties by the despatched supervisors and the difficulties in the operation and development of subsidiaries through discussion, interviews and information review, etc., and prepare special research reports for subsidiaries. Based on the management model of subsidiaries and the requirements on establishment of an effective supervision system for the Board of Supervisors in the context of listing of both A shares and H shares, the Board of Supervisors put forward relevant work recommendations mainly from the perspectives of consummation of the management and supervision mechanism of despatched supervisors, enhancement of the construction of organization system for the supervisors (board of supervisors) of subsidiaries, and improvement of the guarantee mechanism for the performance of duties by despatched

supervisors, to promote the establishment of a standardized and efficient integrated supervision system for the board of supervisors of the parent company and subsidiaries. Meanwhile, for the problems in the operation and management of subsidiaries, the Board of Supervisors reported the situation in a timely manner through investigation report and reminded the company to pay attention to and solve the problems.

2. **Special inspections of information disclosure by the Company.** In order to implement the new Securities Law, the Opinions of the State Council on Further Improvement of the Quality of Listed Companies and other laws, regulations and regulatory requirements, and to improve the Company's information disclosure management and information disclosure quality, the Board of Supervisors organized the relevant functional departments of the Company to form a joint inspection team which adopted a combination of self-inspection and spot check to supervise and inspect the establishment and improvement of the Company's information disclosure management system, as well as the strict implementation of external supervision regulations and the corporate information disclosure system in actual work by relevant departments, subsidiaries and information disclosure obligors, to promote the Company to further improve governance transparency and standardized operation.
3. **Intensification of prior supervision.** In order to improve the timeliness and effectiveness of supervision, the Board of Supervisors moved supervision forward to intervene in the Company's management system construction, decision-making processes for important businesses, and put forward reasonable opinions and suggestions from the perspective of supervision. On the one hand, system construction is the starting point of corporate internal control, and the scientificity of system design is the basis for the effective operation of internal control and risk management system. In order to enhance the effectiveness of the Company's internal control, the Board of Supervisors embedded supervision in the whole process of the construction of internal control system of the group company. In the stages of solicitation for opinions on system and consideration at the meeting, the Board of Supervisors proactively issued audit opinions, and successively issued 205 perfect opinions and suggestions on 40 systems including corporate governance, investment management, subsidiary management, capital management, risk management, internal audit, and human resources, to help the Company's internal control design. On the other hand, the Board of Supervisors intensified on-site supervision over the performance of duties by the Company's management and business decision-making activities, and dispatched personnel to attend 35 general manager's office meetings and 16 investment decision-making meetings, paid attention to decision-making procedures and contents subject to consideration, and participated in the study on major business management, to proactively provide valuable and reasonable suggestions for the Company's operation and development.

VI. Enhancement of the self-construction of the Board of Supervisors, professional supervision capabilities, and the operation efficiency of the Board of Supervisors

1. **Improvement of the supervision system of the Board of Supervisors.** The role of the professional committee of the Board of Supervisors was exerted to carry out supervision and pre-review on important supervision matters. The Board of Supervisors strengthened communication and collaboration with the board of supervisors of the securities company, and supervised and guided the dispatch of supervisors to the subsidiaries of the group company. To ensure that employee representative supervisors perform their duties effectively, the Board of Supervisors established and maintained supervisors' files for performance of duties. The Board of Supervisors intensified the construction of the office staff team of the Board of Supervisors, clarified department responsibilities and job settings, and gave full play to the role of supporting services.

2. **Reinforcement of the system and mechanism construction for the Board of Supervisors.** The Board of Supervisors studied and formulated the Several Opinions on the Qualification Examination of Supervisors Despatched by subsidiaries of Shenwan Hongyuan Group Co., Ltd. and the Appraisal and Evaluation Plan for Supervisors Despatched by Subsidiaries of Shenwan Hongyuan Group Co., Ltd., to improve the supervision and management mechanism for supervisors despatched by subsidiaries; it studied and drew lessons from industry governance practices and related systems of the board of supervisors of the securities company, systematically revised and drafted eleven related systems of the board of supervisors, to meet the integrated management needs of the group company and securities subsidiary, and implemented the regulations on supervision of companies whose A shares and H shares are listed; in addition, it studied and drafted relevant work procedures for attending important corporate governance and business management meetings including the meetings of the Board of Directors, general manager’s office meetings, and meetings of the investment committee, to clarify the key points of attendance, further standardize on-site supervision methods for attendance of meetings, and explore and improve the on-site supervision mechanism of the Board of Supervisors.
3. **Continuous enhancement of the construction of supervisors’ ability to perform their duties.** The chairman of the Board of Supervisors attended the Training on Improving the Special Meetings on Quality of Listed Companies and Training for Directors, Supervisors and Senior Management of Listed Companies in Xinjiang organized by Xinjiang Branch of CSRC. The chairman of the Board of Supervisors and supervisors attended the online training course for the chairmen of board of supervisors organized by the China Association for Public Companies, the online lecture of the “New Policy Lecture” jointly organized by the Xinjiang Listed Companies Association and the Shanghai Listed Companies Association to learn the Notice on Deployment of Supervision of Listed Companies in Xinjiang in 2020 issued by Xinjiang Branch of CSRC and related materials, the 2020 Training Conference for Directors, Supervisors and Senior Management of Listed Companies in Xinjiang organized by Xinjiang Listed Companies Association, and other business trainings in relation to improvement of the ability to perform duties arranged by the Company, to continue to strengthen the study of the new Securities Law, regulatory policies, corporate governance, information disclosure, related party transactions, business knowledge, etc., to enhance supervisors’ awareness of responsibility and professional capabilities in various aspects. The Board of Supervisors regularly collected and sort out information on supervisory policies, the dynamics of the Board of Directors, the Board of Supervisors and the management, internal risk control, subsidiary governance, etc., edited and pushed the 4th issue of the Work Information of the Board of Supervisors and the 25th issue of the Weekly Analysis of Comprehensive Risks to ensure supervisors’ right to know external policies and important internal matters of the Company.
4. **More efforts on work communication and exchanges.** The Board of Supervisors strengthened work communication with shareholders and superior units, earnestly implemented the requirements of the 2020 Forum on the Work of the Board of Supervisors of Directly Managed Enterprises of CIC, and took the initiative to accept supervision and guidance. The Board of Supervisors strengthened communication with regulatory agencies and industry self-regulatory organizations. The chairman of the Board of Supervisors was invited to serve as the vice chairman of the Professional Committee of the Board of Supervisors of China Association for Public Companies and participate in self-discipline and industry exchanges of the association to obtain guidance from regulatory authorities in a timely manner.

Part II Evaluation on the Performance of Duties by Supervisors

In the work in 2020, all supervisors strictly abided by laws and regulations, regulatory rules and the Articles of Association, and performed their duties as supervisors diligently, professionally and efficiently in accordance with the law. They performed supervisory responsibilities for the Board of Directors, the management and its members and the Company's operation management, attended the meetings of the Board of Supervisors on time in accordance with corporate governance procedures and requirements, proactively participated in the activities of the professional committees of the Board of Supervisors, and earnestly participated in the consideration and voting of resolution; moreover, supervisors participated in general meetings in accordance with law and attended Board meetings and other important business management meetings, at which they listened to and reviewed relevant reports and issued supervisory opinions and suggestions. They proactively promoted the improvement of the working mechanism of the Board of Supervisors, participated in the system construction of the Board of Supervisors, and carried out work research, supervision and inspection. While continuously improving their ability in terms of supervision and performance of their duties, they studied and analyzed the Company's operation information, and proactively participated in training activities related to performance of duties. They maintained good communication and coordination with the Board of Directors, the management and other members of the Board of Supervisors, to serve the overall development of the Company, effectively protect the interests of shareholders, and make positive contributions to the scientific, stable and healthy development of the Company.

Part III Work Plan of the Board of Supervisors for 2021

In 2021, the board of supervisors of the group company will fully implement the spirit of the Fifth Plenary Session of the 19th Central Committee of the Communist Party of China under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. In strict accordance with the Company Law, the Securities Law and the regulations on supervision over companies whose A shares and H shares are listed, to "serve the Company's long-term development strategy, serve the Company's annual operation and management objectives, and promote the preservation and appreciation of state-owned assets", the Board of Supervisors will follow the work principles of "practical supervision, comprehensive coverage, collaboration, and professional improvement" in continuous construction of a legal person governance and supervision model for state-owned financial enterprise with the characteristics of Shenwan Hongyuan, to improve political positions, have an accurate understanding of function orientation, improve organizational structure, highlight the focus of supervision, and continuously improve standardized operation and supervision, to provide more powerful support and guarantee for the Company's standardized, stable operation and high-quality development. The work focus of the Board of Supervisors will be as follows:

I. Promotion of practical supervision focusing on three key aspects

1. Intensified financial supervision mainly over major financial revenue and expenditure activities, important financial decision-making matters, and periodic report review

I. Supervision over financial position. The Board of Supervisors will review the Company's periodic financial reports, business analysis reports, etc., to fully understand the Company's financial position, monitor and analyze financial data changes and major abnormal changes, and pay attention to the Company's preparation of financial report, capital use, asset impairment, etc.; and review the results of inspection of financial and accounting management of all units by the Company's internal audit unit and the financial and accounting management unit, to pay attention to the improvement of the financial management system and mechanism, the implementation of the financial accounting system, etc., analyze and summarize relevant information, and comprehensively evaluate the Company's financial position and management.

II. Supervision over major financial matters. By attending the meetings of the Board of Directors and other important business management meetings, the Board of Supervisors will supervise the decision-making procedures of major financial matters including the annual budget and final accounts, profit distribution, and related capital occupation; supervise the compliance of the use of proceeds, and put forward supervision opinions on problems found; supervise the financial revenue and expenditure of key businesses, key areas, and important aspects, and discover possible damage to the Company's interests in a timely manner.

III. Special financial inspection. The Board of Supervisors will pay attention to key issues discovered in inspections, audits, and on-site financial inspections and unfavorable changes in financial position and conduct special inspections when necessary.

IV. Review of periodic reports. The Board of Supervisors will strengthen opinion communication with independent directors and auditors in charge of annual audit, pay attention to the preparation and consideration of periodic reports and implementation of regulatory regulations and accounting standards, and express audit opinions on periodic reports based on daily supervision.

2. *Supervision over the performance of duties by directors and senior management focusing on evaluation on the performance of duties*

I. Supervision over the performance of duties. The Board of Supervisors will supervise the decisions on major issues by the Board of Directors and the management, performance of compliance management responsibilities, authorized implementation, and implementation of the decisions and deployments of the Party Central Committee through attending the meetings of the Board of Directors and its professional committees, general manager's office meetings and important business management meetings, conducting research, listening to reports, etc.

II. Exploration of the establishment of a performance evaluation system. The Board of Supervisors will proactively explore the establishment of a more scientific and effective performance supervision and evaluation system for the Board of Supervisors to evaluate the performance of duties by the directors and senior management, to enhance the pertinence and effectiveness of performance evaluation; establish and dynamically maintain the duty performance files for directors, supervisors and senior management, to further normalize and persist the supervision over performance of duties; evaluate the performance of duties from the perspectives of work performance, due diligence and risk management, and dynamically adjust the operation process to further enhance the scientificity of performance evaluation.

III. Governance communication. The Board of Supervisors will maintain regular communication in a timely manner based on the annual evaluation on performance of duties by directors and senior management; implement special communication on corporate governance, important business management issues, major issues and risks, and personal important matters involving directors and senior management depending on the needs of the Board of Supervisors for the performance of its duties.

IV. Evaluation on performance of duties. The Board of Supervisors will carry out evaluation on performance of duties in accordance with the Board of Supervisors' evaluation methods and relevant work requirements for the performance of duties by the Board of Directors, the management and their members, and arrive at opinions on annual evaluation on performance of duties.

3. *Enhanced supervision over compliance and risk control with focus on strict adherence to the bottom line*

I. Deepened supervision over internal control. Attention to the establishment and implementation of various internal control systems of the Company. The Board of Supervisors will review the Company's internal control evaluation report and other related reports, to understand the Company's internal control construction and implementation and put forward relevant supervision opinions and suggestions. In the Company's rules and regulations system, the focus will be laid on the rational allocation and use of department responsibilities, and the leading management department of the rules and regulations will be urged to pay attention to it during the review and implementation of systems, so as to achieve the effect of interlocking of internal control aspects; **Attention to the rectification progress and effects of internal control defects and abnormal issues.** The Board of Supervisors will follow up the rectification of problems found in the Company's internal control, pay attention to the results of rectification and the construction of long-term prevention mechanism, and urge the Board of Directors and the management to correct internal control defects in a timely manner; **Attention to related party transactions of the Company.** The Board of Supervisors will pay attention to the capital transactions between the Company and related parties, to understand whether the funds, assets and other resources of the Company are occupied or transferred by the controlling shareholder, actual controller and their related parties, and promptly request the Board of Directors to take corresponding measures or issue a letter of concern if any abnormalities are found.

II. Intensified supervision over compliance management. The Board of Supervisors will strengthen supervision over daily compliance management based on the business characteristics of the group company and pay attention to the prevention and control of compliance risks in key business areas and the implementation of new regulations.

III. Reinforced supervision over risk management. Attention to risk prevention. The Board of Supervisors will supervise the continuous optimization of the construction of the risk management system, and urge the continuous improvement of the risk management system in terms of organizational structure, risk policies, risk control measures, risk control system, and talent team, so as to achieve proactive and prospective risk management; **Strengthened supervision over major risks.** The Board of Supervisors will supervise the investment decision-making and post-investment management of equity investment business and non-standard debt investment business, and pay attention to investment risks, strengthen the supervision over important risk events and case accountability, and urge risk resolution and disposal; **Daily dynamic supervision of risk management.** The Board of Supervisors will regularly review the Company's weekly risk reports, monthly risk reports, and risk management related reports, prepare Weekly Analysis of Comprehensive Risks, pay continuous attention to the status of risk management indicators and possible problems in risk management, and urge the implementation of rectification.

II. Construction of four systems to improve the effectiveness of supervision

1. Improvement of supervision system

I. First, construction of integrated systems and mechanisms. In accordance with the laws and regulations of the places where the A shares and H shares are listed, regulatory provisions, requirements on governance of listed companies and work requirements of the board of supervisors of the superior unit, the Board of Supervisors will study and draw on industry governance practices and practices of the securities company, to comprehensively optimize and improve the systems of the Board of Supervisors and promote the integration of systems and work mechanisms of the Group and the securities company.

II. Consummation of work standards and processes. The Board of Supervisors will study work standards on assessment and evaluation, information disclosure, review of qualifications of despatched supervisors, and performance management, continuously refine and optimize implementation rules and work processes, and form a complete and scientific supporting system for the work standards of the Board of Supervisors to promote the quality and efficiency enhancement for supervision.

2. Improvement of supervision information system

I. Urge fulfillment of duties for information disclosure. Supervisor is not only the obligor of information disclosure, but also the supervisor of information disclosure. The Board of Supervisors will review periodic reports and other written documents and issue confirmation opinions in writing; and check the Company's implementation of accounting standards for business enterprises and information disclosure rules, and urge the directors, senior management and relevant information disclosure obligors of the Company to attach great importance to and conduct information disclosure in accordance with regulations and improve information disclosure quality.

II. Improve the communication mechanism. The Board of Supervisors will refine the institutional arrangements and working procedures for the work connection and information communication between the Board of Supervisors and the Board of Directors, the management and relevant departments to ensure that the supervisors can fully understand the important matters related to the Company's operation management.

III. Promote two-way information communication. The Board of Supervisors will strengthen the mechanism of report to supervisory authorities, shareholders and relevant superior management authorities, and communicate and receive guidance on problems in the work of the Board of Supervisors in a timely manner.

IV. Strengthen the informatization construction of the Board of Supervisors. The Board of Supervisors will proactively explore the use of financial technology to improve the prospective and systematic analysis capabilities of operating, financial and risk control data, enhance the pertinence and effectiveness of supervision, expand information collection channels, and promptly push supervisory policies, major company issues and business developments to supervisors, to effectively protect supervisors' right to know.

3. Improvement of supervision operation system

I. Carry out investigations and inspections, to extend the coverage of supervision. Based on the key work arrangements, the Board of Supervisors will determine the topics of investigation and inspections, carry out investigation through a combination of self-inspection and on-site inspection, to discover specific problems and weaknesses, and form a report.

II. Follow up and urge the implementation of problem rectification. The Board of Supervisors will follow up and supervise the implementation of rectification of problems found in internal control evaluation, risk investigation, and tour inspections, and form relevant reports.

III. Strengthen process supervision. The Board of Supervisors will give full play to the role of on-site supervision, propose written opinions on the on-site meeting of the Board of Directors according to work needs, and pay attention to the implementation.

4. *Improvement of the organizational system of the Board of Supervisors*

I. Improve the organizational structure of the board of supervisors of subsidiaries. The Board of Supervisors will systematically sort out relevant laws, regulations and rules, practically carry out relevant research on the establishment of full-time supervisors and the composition of the board of supervisors of subsidiaries, and conduct pilot implementation of the system in relation to despatching of full-time supervisors of subsidiaries in an orderly manner. Meanwhile, it will promote the establishment of a work mechanism for the board of supervisors in accordance with the actual situation of subsidiaries, and equip the personnel for the board of supervisors to meet work needs.

II. Implement review of the qualifications of despatched supervisors. The office of the Board of Supervisors will review and check the qualifications of the candidates for despatched supervisors, and coordinate with the human resources department to control the election of candidates for supervisors to further strengthen the management and control of subsidiaries.

III. Implement information submission. The Board of Supervisors will urge despatched supervisors to regularly submit work performance tables and work summaries, and irregularly submit special research reports and major risk incident reports.

IV. Implement assessment management. The Board of Supervisors will prepare files for the despatched supervisors based on the information submitted by the despatched supervisors of subsidiaries and the interviews on performance of duties with the supervisors of the subsidiaries, and use the same as the basis for assessment. Relevant performance evaluation results will be reflected in the annual evaluation results of despatched supervisors.

V. Explore the establishment of joint conference system for the board of supervisors of the parent company and subsidiaries. The Board of Supervisors will regularly listen to reports from the board of supervisors (despatched supervisors) of subsidiaries, conduct periodical summarizations, refinements and exchanges, and clarify the direction and tasks of the next phase of construction.

III. **Creation of four joint forces and insistence on collaboration**

1. **Take the initiative to integrate into the Party's overall supervision structure.** The Board of Supervisors will strengthen work linkage with discipline inspection, financial audit, compliance and risk control and other departments, establish a long-term communication mechanism to share information on supervision results, promote effective coordination of supervision lines, and build a comprehensive prevention system to improve supervision efficiency, striving to build a large-scale supervision pattern with Party's internal supervision, corporate governance supervision, compliance and internal control supervision, audit supervision, and financial supervision that work in the same direction.
2. **Form joint force with the board of supervisors of the securities company.** The Board of Supervisors will strengthen coordination in terms of supervision system and working mechanism, communicate on the progress of important work and supervision of key and difficult issues, and strengthen the coordination and cooperation of daily supervision.

3. **Form joint force of supervision with independent directors.** The Board of Supervisors will clarify its focus of supervision to avoid repeated supervision; explore work coordination and information sharing mechanism with independent directors, such as organizing work exchange meetings for the Board of Directors, the Board of Supervisors, and senior management, to enhance the effectiveness of corporate governance and supervision.
4. **Form joint force of democratic supervision.** Employee representative supervisors will be elected in a democratic way to play the role of democratic supervision on behalf of employees; employee representative supervisors will supervise the decision-making process of major matters involving employees' vital interests such as remuneration management; participate in special surveys of the Board of Supervisors, listen to relevant suggestions from grassroots employees, and provide feedback to the Board of Directors and the management through survey reports.

IV. Focus on professional improvement and construction of a team composed of highly qualified supervisors

1. **Scientific planning of work.** The Board of Supervisors will strengthen the perspectiveness of supervision, clarify the work direction, target tasks and key measures, timely summarize the experience and work system established in the work of the Board of Supervisors, and further clarify the supervision tasks and refine the supervision matters, for better performance of supervision responsibilities.
2. **Improve the evaluation system.** The Board of Supervisors will explore the establishment of a systematic performance evaluation system for the system of the Company's Board of Supervisors, study scientific, standardized, and operable performance evaluation standards and procedures for supervisors, and establish a scientific incentive and restraint mechanism, to realize the unification of functions, powers and responsibilities.
3. **Intensify professional training.** The Board of Supervisors will organize supervisors of the Group, the securities company and subsidiaries to attend the special training on implementation of the spirit of the forum on the work of the board of supervisors of the companies directly managed by CIC, the supervisory trainings organized by the securities regulatory authorities and China Association for Public Companies, and the training courses on performance of duties by supervisors as organized by the Company, to effectively improve the theoretical and practical level of supervisors.
4. **Strengthen theoretical research.** The Board of Supervisors will carry out theoretical research on the supervision of the board of supervisors of state-owned financial enterprises, provide theoretical guidance and basis for giving play to the role of independent supervision, innovation of supervision methods, and the actual implementation effects of supervision, summarize the characteristic and innovative practices of the board of supervisors of state-owned financial enterprises, and refine the experience of peers in the industry, to broaden ideas for further improvement of supervision.
5. **Enhance service level.** The office of the Board of Supervisors shall to further improve the performance guarantee and service level of the board of supervisors of the group company, standardize the daily work such as the meeting organization of the Board of Supervisors and information disclosure, and proactively assist the Board of Supervisors to better play its role in corporate governance.

SHENWAN HONGYUAN GROUP CO., LTD.
2020 ANNUAL FINANCIAL REPORT

In 2020, the Company earnestly executed the important deployments of the Party committee and the Board of Directors of the Company, to achieve integrated development with the securities company. Adhering to the general principle of seeking progress while maintaining stability, the Company will lay “equal emphasis” on both epidemic prevention and operation, and proactively respond to the dual adverse effects of COVID-19 and the economic downturn. As a result, good operating results have been achieved.

I. Overall Financial Position

As at December 31, 2020, the Company’s consolidated total assets amounted to RMB491.124 billion, representing an increase of 26.40% from the beginning of the year; the consolidated total liabilities amounted to RMB401.034 billion, representing an increase of 32.05% from the beginning of the year; the interests attributable to shareholders of the parent company amounted to RMB88.465 billion, representing an increase of 6.32% from the beginning of the year.

In 2020, the Company recorded consolidated operating income of RMB29.409 billion, representing a year-on-year increase of 19.58%; After presentation of net amounts of adjusted profit or loss of basis trading business, the Company recorded consolidated operating income of RMB19.334 billion, representing a year-on-year increase of 21.77%; total profit of RMB9.348 billion, representing a year-on-year increase of 34.95%; net profit of RMB7.876 billion, representing a year-on-year increase of 35.72%; net profit attributable to shareholders of the parent company of RMB7.766 billion, representing a year-on-year increase of 35.41%; total comprehensive income of RMB7.293 billion, representing a year-on-year increase of 2.73%; basic earnings of RMB0.31 per share, representing a year-on-year increase of 29.17%; and the weighted average return on equity of 9.05%, representing a year-on-year increase of 1.64 percentage points.

Unit: RMB100 million

Item	December 31, 2020	December 31, 2019	Increase or decrease (%)
Total assets	4,911.24	3,885.37	26.40
Total liabilities	4,010.34	3,037.06	32.05
Equity interests	900.91	848.31	6.20
Equity interests attributable to shareholders of the parent company	884.65	832.06	6.32

<u>Item</u>	<u>2020</u>	<u>2019</u>	<u>Increase or decrease (%)</u>
Operating income	294.09	245.93	19.58
Operating income (Presentation of net amounts of profit or loss of basis trading business)	193.34	158.78	21.77
Operating profit	93.87	69.51	35.05
Total profit	93.48	69.27	34.95
Net profit	78.76	58.03	35.72
Net profit attributable to shareholders of the parent company	77.66	57.35	35.41
Total comprehensive income	72.93	70.99	2.73
Basic earnings per share (RMB per share)	0.31	0.24	29.17
Weighted average return on equity (%)	9.05%	7.41%	Increased by 1.64 percentage points

II. Assets and Liabilities

(I) Assets

As at December 31, 2020, the Company's consolidated total assets amounted to RMB491.124 billion, representing an increase of RMB102.587 billion or 26.40% as compared with the beginning of the year. The items that account for a large proportion or have great changes in amount are as follows:

1. Financial assets

The total amount of trading financial assets, debt investment, other debt investment, and other investments in equity instruments held by the Company at the end of the year was RMB237.375 billion, representing an increase of RMB61.360 billion or 34.86% as compared with the beginning of the year, mainly due to the increase in the size of bonds investment held by the Company.

2. Monetary capital and clearing settlement funds

The monetary capital and clearing settlement funds held by the Company at the end of the year was RMB117.033 billion, representing an increase of RMB17.549 billion or 17.64% as compared with the beginning of the year, mainly due to the increase in deposits from brokerage customers.

3. Margin accounts receivable

Due to the increase in the trading and investment activity in the market, financing needs of clients and the size of margin financing and securities lending business, the balance of margin accounts receivable of the Company at the end of the year amounted to RMB74.212 billion, representing an increase of RMB21.164 billion or 39.90% as compared with the beginning of the year.

4. *Financial assets held under resale agreements*

The financial assets held under resale agreements of the Company at the end of the year amounted to RMB26.660 billion, representing a decrease of RMB12.591 billion or 32.08% as compared with the beginning of the year, mainly due to that the Company further strengthened risk control to reduce the impact of stock pledged repurchase business.

5. *Refundable deposits*

The refundable deposits of the Company at the end of the year amounted to RMB18.348 billion, representing an increase of RMB9.469 billion or 106.66% as compared with the beginning of the year, mainly due to the increase in refundable deposits of margin refinancing, stock index futures and swap business, etc.

(II) Liabilities

The Company's consolidated total liabilities amounted to RMB401.034 billion, representing an increase of RMB97.328 billion or 32.05% as compared with the beginning of the year. The items that account for a large proportion or have great changes in amount are as follows:

1. *Borrowings and debt financing instruments*

The borrowings and debt financing instruments of the Company at the end of the year amounted to RMB167.450 billion, representing an increase of RMB46.238 billion or 38.15% as compared with the beginning of the year, mainly due to the increase in the scale of issuance of corporate bonds, structured notes and subordinated bonds. In particular, RMB97.533 billion had a financing period of more than one year while RMB69.917 billion less than one year, accounting for 58.25% and 41.75% of the borrowings and debt financing instruments, respectively, and representing an increase of 37.72% and 38.75% as compared with the beginning of the year, respectively. As of the end of the reporting period, the Company had no outstanding debts overdue, and it had sound overall solvency and its liquidity risks were controllable.

2. *Financial assets sold under repurchase agreements*

The balance of the financial assets sold under repurchase agreements of the Company at the end of the year amounted to RMB103.315 billion, representing an increase of RMB19.371 billion or 23.08% as compared with the beginning of the year, mainly due to the increase in the size of bond-pledged repurchase business and precious metals sold under repurchase agreements.

3. *Income from agency securities trading business*

The income from agency securities trading business of the Company at the end of the year amounted to RMB97.535 billion, representing an increase of RMB20.482 billion or 26.58% as compared with the beginning of the year, mainly due to the increase in deposits from brokerage customers.

4. *Payables*

The income from agency securities trading business of the Company at the end of the year amounted to RMB6.272 billion, representing an increase of RMB3.928 billion or 167.61% as compared with the beginning of the year, mainly due to the increase in payable performance deposits, payables for securities clearing, fee and commission.

5. *Trading financial liabilities*

The trading financial liabilities of the Company at the end of the year amounted to RMB3.452 billion, representing an increase of RMB3.068 billion as compared with the beginning of the year, mainly due to the increase in the size of short sale of bonds subject to buyout repurchase.

III. Financial Income and Expenses

(I) Operating Income

In 2020, the Company realized consolidated operating income of RMB29.409 billion, representing a year-on-year increase of RMB4.816 billion or 19.58%. After presentation of net amounts of adjusted profit or loss of basis trading business, the Company realized consolidated operating income of RMB19.334 billion, representing a year-on-year increase of RMB3.456 billion or 21.77%. The main income items are as follows:

- (1) Net fee and commission income amounted to RMB8.422 billion, accounting for 43.56% and representing a year-on-year increase of RMB2.012 billion or 31.40%. In particular, due to the active trading of shares in the A share markets, the trading amount of shares in the Shanghai and Shenzhen stock markets increased by 62.32% year-on-year. The net fee income of brokerage business of the Company increased by RMB1.873 billion or 49.35% year-on-year; due to the increase in the income from IPO underwriting business, the net fee income from investment banking business increased by RMB262 million or 22.53% year-on-year; the net fee income from asset management and fund management business was basically the same with that of the previous year.
- (2) The investment income and gains on changes in fair value totaled RMB6.858 billion, accounting for 35.47% and representing a year-on-year increase of RMB1.250 billion or 22.29%, mainly due to the year-on-year increase in the gains on changes in the fair value of investment in proprietary equity.
- (3) The net interest income amounted to RMB3.606 billion, accounting for 18.65% and representing a year-on-year increase of RMB386 million or 12.00%. In particular, the interest income was RMB11.906 billion, representing a year-on-year increase of RMB879 million or 7.97%, mainly due to the increase in the size of investment in bonds held and margin financing and securities lending, resulting in a year-on-year increase in interest income of RMB1.956 billion. Meanwhile, due to the decrease in the stock pledged repurchase business, the interest income decreased by RMB1.100 billion year-on-year. Interest expenses amounted to RMB8.300 billion, representing a year-on-year increase of RMB493 million or 6.31%, mainly due to the increase in the size of external financing, resulting in a year-on-year increase of RMB564 million.

(II) Operating Expenses

In 2020, the Company's consolidated operating expenses amounted to RMB20.022 billion, representing a year-on-year increase of RMB2.380 billion or 13.49%; After presentation of net amounts of adjusted profit or loss of basis trading business, the Company's consolidated operating expenses amounted to RMB9.947 billion, representing a year-on-year increase of RMB1.02 billion or 11.43%; the main expense items are business and management fees of RMB8.959 billion, representing a year-on-year increase of RMB1.048 billion or 13.25%, mainly due to the increase in income of the Company and provision for labour costs.

IV. Cash Flows

In 2020, the net cash inflow of cash and cash equivalents of the Company amounted to RMB15.609 billion. The main items are as follows:

(I) Cash flows from operating activities

In 2020, the net cash outflow used for operating activities amounted to RMB17.747 billion, mainly representing net cash outflow used for financial instruments held for trading purposes of RMB39.358 billion; net cash inflow of repurchasing business of RMB30.333 billion; and net cash outflow used for margin accounts receivable of RMB20.979 billion.

(II) Cash flows from investing activities

In 2020, the net cash outflow from investing activities of the Company amounted to RMB11.847 billion, mainly due to the cash paid for investment of RMB15.173 billion and the cash received from investment income of RMB3.598 billion.

(III) Cash flows from financing activities

In 2020, the net cash inflow from financing activities of the Company amounted to RMB45.301 billion, mainly due to the cash received from the issuance of bonds of the Company of RMB152.160 billion; cash paid for repayment of debts of RMB104.001 billion.

**APPENDIX IV RESOLUTION REGARDING THE ESTIMATED ORDINARY
RELATED PARTY TRANSACTIONS FOR 2021**

In order to further strengthen the management of the Company's ordinary related party transactions and continuously improve the Company's standard operation level, according to the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange and other regulatory provisions, for the numerous daily related party transactions each year, the Company can reasonably estimate the total amount of ordinary related-party transactions that will occur in the current year before the disclosure of the annual report for the previous year, and submit the estimated amount to the Board of Directors or general meeting for consideration and disclosure, in order to improve the efficiency of business development and promote profit growth and long-term development.

According to the characteristics of Securities and financial products and transactions, etc. including large trading amount, strong trading timeliness, and great possibilities to trigger consideration and disclosure procedures, the Company has estimated the ordinary related-party transactions for 2020, and the estimated and actual ordinary related-party transactions in 2020 are as follows:

Unit: RMB'0,000

Category of related party transaction	Related party	Subject matter of related party transaction	Actual amount	Estimated amount	Proportion of actual amount in similar businesses (%)
Securities and financial services	China Jiayin Investment Ltd. and its subsidiaries	Income from provision of securities and financial services to the related party including securities brokerage, investment banking, asset management, agency sale and leasing marketing unit	2,868.83	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	0.388
		Expenses incurred by acceptance of securities and financial services provided by the related party including fund management	420.29	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	2.987
	Shanghai Jiushi (Group) Co., Ltd. ^{Note 1}	Income from provision of securities and financial services to the related party including securities brokerage	30.63	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	0.005

Category of related party transaction	Related party	Subject matter of related party transaction	Actual amount	Estimated amount	Proportion of actual amount in similar businesses (%)
	ICBC Credit Suisse Asset Management Co., Ltd. ^{Note 2}	Income from provision of securities and financial services to the related party including agency sale and leasing marketing unit	1,461.53	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	1.607
	Shanghai International Trust Co., Ltd.	Income from provision of securities and financial services to the related party including consulting services and investment banking services	74.96	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	0.178
	SAIC Finance Corporation Limited	Income from provision of securities and financial services to the related party including asset management and brokerage services	259.06	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	0.040
	SAIC-GMAC Automotive Finance Co., Ltd.	Income from provision of securities and financial services to the related party including investment banking services	582.00	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	0.488
	SAIC Motor Corporation Limited	Income from provision of securities and financial services to the related party including asset management, brokerage services and investment banking services	16.58	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	0.003
	Sichuan Development Holding Co., Ltd.	Income from provision of securities and financial services to the related party including investment banking services, brokerage services, consulting and training	149.45	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	0.021
	Sichuan Financial Holding Group Co., Ltd.	Income from provision of securities and financial services to the related party including investment banking services	1.00	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	0.001
	DBS Bank (China) Limited	Income from deposits and financial services including deposit interest, provision of asset management to the related party, and agency sale	649.58	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	0.266

Category of related party transaction	Related party	Subject matter of related party transaction	Actual amount	Estimated amount	Proportion of actual amount in similar businesses (%)
	Bank of Shanghai Co., Ltd.	Income from deposits and financial services including deposit interest, provision of asset management to the related party, and agency sale	6,386.94	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	2.617
		Expenses incurred by securities and financial services provided by the related party including asset trusteeship, financial advisory and funds trusteeship	115.22		0.0001
	China Everbright Bank Company Limited ^{Note 3}	Interests on self-owned funds and third-party deposits, income from provision of securities and financial services including asset management and agency sale to the related party	1,177.00	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	0.329
		Expenses incurred by acceptance of securities and financial services provided by the related party including asset trusteeship, financial advisory and funds trusteeship	468.23		0.0005

Category of related party transaction	Related party	Subject matter of related party transaction	Actual amount	Estimated amount	Proportion of actual amount in similar businesses (%)
Securities and financial products and transactions	China Jianyin Investment Ltd. and its subsidiaries	Total cash inflow from receipt of interests on repurchase transaction and interbank lending, and from securities and financial products and transactions including repurchase transaction with the related party, bonds trading, interbank lending, derivatives trading and subscription of financial products under non-public issuance or management of the Company by the related party	0.00	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	0.00
		Total cash outflow for payment of interests on repurchase transaction and interbank lending, and for securities and financial products and transactions including repurchase transaction with the related party, interbank lending, bonds trading, derivatives trading and subscription of financial products under non-public issuance or management of the related party	20,000.00		0.579

Category of related party transaction	Related party	Subject matter of related party transaction	Actual amount	Estimated amount	Proportion of actual amount in similar businesses (%)
	Shanghai International Trust Co., Ltd.	Total cash inflow from receipt of interests on repurchase transaction and interbank lending, and from securities and financial products and transactions including repurchase transaction with the related party, bonds trading, interbank lending, derivatives trading and subscription of financial products under non-public issuance or management of the Company by the related party	9,410,528.80	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	0.617
		Total cash outflow for payment of interests on repurchase transaction and interbank lending, and for securities and financial products and transactions including repurchase transaction with the related party, interbank lending, bonds trading, derivatives trading and subscription of financial products under non-public issuance or management of the related party	244,068.98		0.169

Category of related party transaction	Related party	Subject matter of related party transaction	Actual amount	Estimated amount	Proportion of actual amount in similar businesses (%)
	DBS Bank (China) Limited	Total cash inflow from receipt of interests on repurchase transaction and interbank lending, and from securities and financial products and transactions including repurchase transaction with the related party, bonds trading, interbank lending, derivatives trading and subscription of financial products under non-public issuance or management of the Company by the related party	29,895.75	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	0.014
		Total cash outflow for payment of interests on repurchase transaction and interbank lending, and for securities and financial products and transactions including repurchase transaction with the related party, interbank lending, bonds trading, derivatives trading and subscription of financial products under non-public issuance or management of the related party	36,981.73		0.020

Category of related party transaction	Related party	Subject matter of related party transaction	Actual amount	Estimated amount	Proportion of actual amount in similar businesses (%)
	Bank of Shanghai Co., Ltd.	Total cash inflow from receipt of interests on repurchase transaction and interbank lending, and from securities and financial products and transactions including repurchase transaction with the related party, bonds trading, interbank lending, derivatives trading and subscription of financial products under non-public issuance or management of the Company by the related party	399,903.83	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	0.031
		Total cash outflow for payment of interests on repurchase transaction and interbank lending, and for securities and financial products and transactions including repurchase transaction with the related party, interbank lending, bonds trading, derivatives trading and subscription of financial products under non-public issuance or management of the related party	496,852.56		0.180

Category of related party transaction	Related party	Subject matter of related party transaction	Actual amount	Estimated amount	Proportion of actual amount in similar businesses (%)
	SAIC Finance Corporation Limited	Total cash inflow from receipt of interests on repurchase transaction and interbank lending, and from securities and financial products and transactions including repurchase transaction with the related party, bonds trading, interbank lending, derivatives trading and subscription of financial products under non-public issuance or management of the Company by the related party	17,027.19	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	0.001
		Total cash outflow for payment of interests on repurchase transaction and interbank lending, and for securities and financial products and transactions including repurchase transaction with the related party, interbank lending, bonds trading, derivatives trading and subscription of financial products under non-public issuance or management of the related party	14.00		0.008

Category of related party transaction	Related party	Subject matter of related party transaction	Actual amount	Estimated amount	Proportion of actual amount in similar businesses (%)
	ICBC Credit Suisse Asset Management Co., Ltd.	Total cash inflow from receipt of interests on repurchase transaction and interbank lending, and from securities and financial products and transactions including repurchase transaction with the related party, bonds trading, interbank lending, derivatives trading and subscription of financial products under non-public issuance or management of the Company by the related party	506,488.76	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	0.296
		Total cash outflow for payment of interests on repurchase transaction and interbank lending, and for securities and financial products and transactions including repurchase transaction with the related party, interbank lending, bonds trading, derivatives trading and subscription of financial products under non-public issuance or management of the related party	128,172.71		0.074

Category of related party transaction	Related party	Subject matter of related party transaction	Actual amount	Estimated amount	Proportion of actual amount in similar businesses (%)
	China Everbright Bank Company Limited	Total cash inflow from receipt of interests on repurchase transaction and interbank lending, and from securities and financial products and transactions including repurchase transaction with the related party, bonds trading, interbank lending, derivatives trading and subscription of financial products under non-public issuance or management of the Company by the related party	10,941,228.12	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	0.189
		Total cash outflow for payment of interests on repurchase transaction and interbank lending, and for securities and financial products and transactions including repurchase transaction with the related party, interbank lending, bonds trading, derivatives trading and subscription of financial products under non-public issuance or management of the related party	1,156,877.03		0.316
Comprehensive services	China Jianyin Investment Ltd. and its subsidiaries	Expenses incurred by acceptance of the services provided by the related party including maintenance of computer room	874.40	874.40	5.414

Note:

1. Shanghai Jiushi (Group) Co., Ltd. was removed from the list of related parties on April 25, 2020.
2. ICBC Credit Suisse Asset Management Co., Ltd. was removed from the list of related parties on June 28, 2020.
3. China Everbright Bank Company Limited was removed from the list of related parties on July 31, 2020.

**APPENDIX IV RESOLUTION REGARDING THE ESTIMATED ORDINARY
RELATED PARTY TRANSACTIONS FOR 2021**

In 2021, based on the actual business development of the Company, the Company will continue to estimate the ordinary related party transactions in 2021 in accordance with relevant provisions of the Shenzhen Stock Exchange. In 2021, the ordinary related party transactions mainly involve businesses including securities and financial services, securities and financial products and transactions, and comprehensive service businesses. Details are as follows:

I. Basic Information on the Estimated Ordinary Related Party Transactions in 2021

(I) Overview of Ordinary Related Party Transactions

The ordinary related party transactions between the Company and its subsidiaries and related parties are mainly related to securities and financial products and transactions, securities and financial products and services, and comprehensive services.

(II) Category and Amount of Estimated Ordinary Related Party Transactions

1. Ordinary related party transactions with China Jianyin Investment Ltd. and its subsidiaries

Unit: RMB'0,000

Category of related party transaction	Subject matter of related party transaction	Pricing principles of related party transaction	Estimated transaction cap and explanation	Amount incurred as at March 30, 2021	Actual amount incurred in 2020 ^{Note}
Securities and financial services	Income from provision of securities and financial services to the related party including securities brokerage, investment banking, asset management, agency sale and leasing marketing unit	Determined after arm's length negotiations with reference to market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	624.33	2,868.83
	Expenses incurred by acceptance of securities and financial services provided by the related party including fund management			31.30	420.29

Category of related party transaction	Subject matter of related party transaction	Pricing principles of related party transaction	Estimated transaction cap and explanation	Amount incurred as at March 30, 2021	Actual amount incurred in 2020 ^{Note}
Securities and financial products and transactions	Total cash inflow from receipt of interests on repurchase transaction and interbank lending, and from securities and financial products and transactions including repurchase transaction with the related party, bonds trading, interbank lending, derivatives trading and subscription of financial products under non-public issuance or management of the Company by the related party	Determined after arm's length negotiations by both parties with reference to market prices or market rates	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	0.00	0.00
	Total cash outflow for payment of interests on repurchase transaction and interbank lending, and for securities and financial products and transactions including repurchase transaction with the related party, interbank lending, bonds trading, derivatives trading and subscription of financial products under non-public issuance or management of the related party			0.00	20,000.00
Lease	Expenses incurred by the lease of house from the related party	Determined after arm's length negotiations by both parties with reference to market rentals	1,462.17	0.00	300.95 ^{Note}
Comprehensive services	Expenses incurred by acceptance of the services provided by the related party including maintenance of computer room	Determined after arm's length negotiations by both parties with reference to market prices	874.40	0.00	874.40

Note: The Company has signed house lease contracts with a subsidiary of China Jianyin Investment Ltd., with lease terms ranging from 4 years and 7 months to 5 years. The total lease amount was RMB14,621,700. The actual amount incurred in 2020 was the rental paid during the reporting period. Relevant information is disclosed in the Announcement on Estimated Ordinary Related Party Transactions for 2020. (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 March 28, 2020)

**APPENDIX IV RESOLUTION REGARDING THE ESTIMATED ORDINARY
RELATED PARTY TRANSACTIONS FOR 2021**

2. Ordinary related party transactions with other related parties

Unit: RMB'0,000

Category of related party transaction	Related party	Subject matter of related party transaction	Pricing principles of related party transaction	Contract amount or estimated amount	Amount incurred as at March 30, 2021	Actual amount incurred in 2020
Securities and financial services	Shanghai International Trust Co., Ltd.	Income from provision of securities and financial services to the related party including consulting services and investment banking services	Determined after arm's length negotiations with reference to market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	102.43	74.96
	SAIC Finance Corporation Limited	Income from provision of securities and financial services to the related party including asset management and brokerage services	Determined after arm's length negotiations with reference to market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	28.86	259.06
	SAIC-GMAC Automotive Finance Co., Ltd.	Income from provision of securities and financial services to the related party including investment banking services	Determined after arm's length negotiations with reference to market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	513.70	582.00
	SAIC Motor Corporation Limited	Income from provision of securities and financial services to the related party including asset management, brokerage services and investment banking services	Determined after arm's length negotiations with reference to market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	1.69	16.58
	Sichuan Development Holding Co., Ltd.	Income from provision of securities and financial services to the related party including investment banking services, brokerage services, consulting and training	Determined after arm's length negotiations with reference to market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	0.00	149.45
	Sichuan Financial Holding Group Co., Ltd.	Income from provision of securities and financial services to the related party including investment banking services	Determined after arm's length negotiations with reference to market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	0.00	1.00
	DBS Bank (China) Limited	Income from deposits and financial services including deposit interest, provision of asset management to the related party, and agency sale	Determined after arm's length negotiations with reference to market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	24.77	649.58

Category of related party transaction	Related party	Subject matter of related party transaction	Pricing principles of related party transaction	Contract amount or estimated amount	Amount incurred as at March 30, 2021	Actual amount incurred in 2020
	Bank of Shanghai Co., Ltd.	Income from deposits and financial services including deposit interest, provision of asset management to the related party, and agency sale	Determined after arm's length negotiations with reference to market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	955.46	6,386.94
		Expenses incurred by securities and financial services provided by the related party including asset trusteeship, financial advisory and funds trusteeship			22.30	115.22
	Other related parties of the Company except those listed above	Income or expenses in relation to mutual provision of securities and financial services with the related party	Determined after arm's length negotiations with reference to market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	—	—
Securities and financial products and transactions	Shanghai International Trust Co., Ltd.	Total cash inflow from receipt of interests on repurchase transaction and interbank lending, and from securities and financial products and transactions including repurchase transaction with the related party, bonds trading, interbank lending, derivatives trading and subscription of financial products under non-public issuance or management of the Company by the related party	Determined after arm's length negotiations by both parties with reference to market prices or market rates	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	4,765,543.22	9,410,528.80
		Total cash outflow for payment of interests on repurchase transaction and interbank lending, and for securities and financial products and transactions including repurchase transaction with the related party, interbank lending, bonds trading, derivatives trading and subscription of financial products under non-public issuance or management of the related party			33,362.44	244,068.98

Category of related party transaction	Related party	Subject matter of related party transaction	Pricing principles of related party transaction	Contract amount or estimated amount	Amount incurred as at March 30, 2021	Actual amount incurred in 2020
	DBS Bank (China) Limited	Total cash inflow from receipt of interests on repurchase transaction and interbank lending, and from securities and financial products and transactions including repurchase transaction with the related party, bonds trading, interbank lending, derivatives trading and subscription of financial products under non-public issuance or management of the Company by the related party	Determined after arm's length negotiations by both parties with reference to market prices or market rates	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	36,075.36	29,895.75
		Total cash outflow for payment of interests on repurchase transaction and interbank lending, and for securities and financial products and transactions including repurchase transaction with the related party, interbank lending, bonds trading, derivatives trading and subscription of financial products under non-public issuance or management of the related party			5,082.92	36,981.73

Category of related party transaction	Related party	Subject matter of related party transaction	Pricing principles of related party transaction	Contract amount or estimated amount	Amount incurred as at March 30, 2021	Actual amount incurred in 2020
	Bank of Shanghai Co., Ltd.	Total cash inflow from receipt of interests on repurchase transaction and interbank lending, and from securities and financial products and transactions including repurchase transaction with the related party, bonds trading, interbank lending, derivatives trading and subscription of financial products under non-public issuance or management of the Company by the related party	Determined after arm's length negotiations by both parties with reference to market prices or market rates	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	355,622.51	399,903.83
		Total cash outflow for payment of interests on repurchase transaction and interbank lending, and for securities and financial products and transactions including repurchase transaction with the related party, interbank lending, bonds trading, derivatives trading and subscription of financial products under non-public issuance or management of the related party			428,257.05	496,852.56

Category of related party transaction	Related party	Subject matter of related party transaction	Pricing principles of related party transaction	Contract amount or estimated amount	Amount incurred as at March 30, 2021	Actual amount incurred in 2020
	SAIC Finance Corporation Limited	Total cash inflow from receipt of interests on repurchase transaction and interbank lending, and from securities and financial products and transactions including repurchase transaction with the related party, bonds trading, interbank lending, derivatives trading and subscription of financial products under non-public issuance or management of the Company by the related party	Determined after arm's length negotiations by both parties with reference to market prices or market rates	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	30,020.00	17,027.19
		Total cash outflow for payment of interests on repurchase transaction and interbank lending, and for securities and financial products and transactions including repurchase transaction with the related party, interbank lending, bonds trading, derivatives trading and subscription of financial products under non-public issuance or management of the related party			6.58	14.00
	Other related parties of the Company except those listed above	Total cash inflow from receipt of interests on repurchase transaction and interbank lending, repurchase transaction with the related party, bonds trading, interbank lending, derivatives trading, and subscription of financial products under non-public issuance or management of the Company by the related party	Determined after arm's length negotiations by both parties with reference to market prices or market rates	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	—	—
		Total cash outflow for payment of interests on repurchase transaction and interbank lending, repurchase transaction with the related party, interbank lending, bonds trading, derivatives trading, and subscription of financial products under non-public issuance or management of the related party			—	—

APPENDIX IV RESOLUTION REGARDING THE ESTIMATED ORDINARY RELATED PARTY TRANSACTIONS FOR 2021

Other than the abovementioned estimated related party transactions, the Company may be exempted from performing relevant obligations in accordance with the provisions of Article 13 of the Management Policy of Related Party Transactions of the Company for the following related party transactions with the related parties:

- (I) either party subscribes for the publicly offered shares, company bonds or corporate bonds, convertible company bonds or other types of derivatives of another party in cash;
- (II) either party, as a member of the underwriting syndicate (other than the lead underwriter), underwrites the publicly offered shares, company bonds or corporate bonds, convertible company bonds or other types of derivatives issued by another party;
- (III) either party receives dividend, bonus or reward in accordance with the resolutions passed at a general meeting of another party;
- (IV) Purchase or sales of uniformly offered (to more than ten targets, including no more than two related parties of the Company) marketable securities or products with no special terms (e.g. collective wealth management products, trust products, funds, etc.);
- (V) Other circumstances as recognized by the places where the shares of the Company are listed.

When the Company conducts a related party transaction with a related party due to public bidding, public auction, etc., the Company may apply to the Shenzhen Stock Exchange for exemption from performing related obligations for the related party transaction.

II. Main Contents of the Related Party Transactions

(I) Pricing Policy of the Related Party Transactions

1. *Securities and financial services*

Securities and financial services transactions include various securities and financial services mutually provided by the Company and its subsidiaries and related parties, including but not limited to: securities brokerage business, futures brokerage business, fund custodian, fund outsourcing, leasing marketing unit, agency sale of financial products (including securities investment fund), investment banking business, asset management services, deposit services, third party fund depository services, advisory and consulting services, etc. The pricing of the aforementioned securities and financial services is determined after arm's length negotiations with reference to market prices, industry practices, deposit and loan interest rates approved and released by the People's Bank of China.

2. *Securities and financial products and transactions*

Securities and financial products and transactions, include various securities and financial products and transactions permitted by the regulatory authorities, including but not limited to: borrowings; repurchase transaction; bonds trading; subscription of financial products issued or managed by related parties; subscription of financial products issued or managed by the Company and its subsidiaries by related parties; interbank lending; overdraft; derivatives trading; basis trading, etc. The prices or rates of the above securities and financial products and transactions are generally transparent and standardized in the market. The prices or rates of such transactions shall be determined after arm's length negotiations between the parties with reference to the then applicable market prices or market rates.

3. *House leasing*

The house leasing business mainly includes the property leased by the Company from its related parties which is used for the purpose of business operation. The rent is referred to the then applicable market rental at the place where the leased property is located in accordance with the principles of fairness and reasonableness.

4. *Comprehensive services*

Comprehensive services mainly include services including computer room maintenance, information technology service provided by related parties to the Company and its subsidiaries. The pricing of the above services shall be determined after arm's length negotiations with reference to market prices.

(II) Execution of Agreements in relation to Related Party Transactions

Within the expected scope of the annual ordinary related party transactions, when the related party transactions actually occur, the Company will otherwise enter into relevant agreements. If the related party transaction exceeds the expected scope, the Company will perform the corresponding approval procedures and information disclosure obligations in accordance with the relevant system in a timely manner.

III. Purpose of the Related Party Transactions and Effects thereof on the Company

1. The related party transactions between the Company and the abovementioned related parties will help the Company's business development and increase profit opportunities.
2. The relevant related-party transactions are fair, and the pricing thereof is determined with reference to market prices or cost plus, without prejudice to the interests of the Company and its shareholders;
3. The relevant related-party transactions do not affect the Company's independence, and the principal businesses of the Company do not rely on the related parties due to the abovementioned related party transactions.

According to relevant provisions, in consideration of the abovementioned related party transactions, the shareholders who are interested in these related party transactions shall abstain from voting on the related matters in the resolution. Central Huijin Investment Ltd. and China Jianyin Investment Ltd. abstained from voting on the ordinary related party transaction with China Jianyin Investment Ltd. and its subsidiaries (resolution 6.01), Shanghai Jiushi (Group) Co., Ltd., Sichuan Development Holding Co., Ltd. and Shanghai Automotive Asset Management Co., Ltd. abstained from voting on the ordinary related party transaction with other related parties (resolution 6.02).

**RESOLUTION REGARDING CONSIDERATION OF THE SHAREHOLDER
RETURN PLAN OF SHENWAN HONGYUAN GROUP CO., LTD. FOR THE
NEXT THREE YEARS (2021–2023)**

On May 11, 2018, the Shareholder Return Plan of Shenwan Hongyuan Group Co., Ltd. for the Next Three Years (2018–2020) (the “**Original Plan**”) was considered and approved at the 2017 annual general meeting of the Company, and was strictly implemented based on the actual situation of the Company.

The shareholder return in the recent three years is as follows:

Cash dividend (tax inclusive) of Shenwan Hongyuan for 2018–2020

Year	Cash dividend	Annual distributable profit (consolidated)
2018	112,679.72	284,448.32
2019	200,319.56	433,034.10
2020	250,399.45	465,663.56

Unit: RMB'0,000

Proportion of accumulated cash dividend for the recent three years in the annual average distributable profit

142.86%

1. In 2018, the profit distribution plan of the Company was a cash dividend of RMB0.50 (tax inclusive) for every 10 Shares with a total amount of cash dividend of RMB1.127 billion.
2. In 2019, the profit distribution plan of the Company was a cash dividend of RMB0.80 (tax inclusive) for every 10 Shares with a total amount of cash dividend of RMB2.003 billion.
3. In 2020, the profit distribution plan of the Company was a cash dividend of RMB1.00 (tax inclusive) for every 10 Shares with a total amount of cash dividend of RMB2.504 billion.

The Company’s profit distribution plans for the recent three years strictly implemented the content of the Original Plan and met the requirements of relevant laws, regulations and supervision.

As the Original Plan has expired, in order to consummate and improve the Company’s scientific, continuous and stable return plan and mechanism, actively return to shareholders, enhance the transparency and operability of profit distribution policy decisions, and effectively protect the legitimate rights and interests of shareholders, the Company has drafted the Shareholder Return Plan of the Company for the Next Three Years (2021-2023) (for Consideration), in accordance with relevant laws, regulations and departmental rules and the relevant provisions of the Articles of Association, as well as the actual situation of the Company. The drafted plan is basically consistent with the Original Plan in terms of continuity and stability, and is now presented for consideration.

**SHENWAN HONGYUAN GROUP CO., LTD.
SHAREHOLDER RETURN PLAN FOR THE NEXT THREE YEARS (2021–2023)**

In order to consummate and improve the scientific, continuous and stable return plan and mechanism of Shenwan Hongyuan Group Co., Ltd. (the “**Company**”), actively return to shareholders, enhance the transparency and operability of profit distribution policy decisions, and effectively protect the legitimate rights and interests of shareholders, the Company has prepared the Shareholder Return Plan of the Company for the Next Three Years (2021–2023) (the “**Plan**”), in accordance with relevant laws, regulations and departmental rules including the Company Law of the People’s Republic of China, the Administrative Measures for the Issuance of Securities by Listed Companies and the Regulatory Guidelines for Listed Companies No. 3 — Cash Dividend Distribution of Listed Companies (Zheng Jian Hui Gong Gao [2013] No. 43) issued by China Securities Regulatory Commission, the Guidelines on the Standardized Operation of Companies Listed on the Shenzhen Stock Exchange (Revised in 2020) and the relevant provisions of the Articles of Association, as well as the actual situation of the Company. Details are as follows:

Article I Factors considered in preparation of the Plan

With a view to long-term and sustainable growth, after giving comprehensive consideration to the factors including 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, the Company has established continuous, stable and scientific return plan and mechanism for investors, which sets out clear arrangements for the Company’s profit distribution to ensure the continuity and stability of profit distribution policy.

Article II Principles for preparation of the Plan

The preparation of the Plan complies with the relevant laws, regulations and the Articles of Association, stresses reasonable investment return for investors and takes into account the Company’s actual operating conditions and sustainable development, and fully considers and listens to the opinions of shareholders, in particular minority shareholders, independent directors and supervisors.

Article III Specific shareholder return plan of the Company for the next three years (2021–2023)

1. The Company may distribute dividends in cash, stock or by the combination of cash and stock.
2. In accordance with the Company Law and other relevant laws, regulations, and the Articles of Association and after making a profit and sufficient provision for statutory reserves, arbitrary reserves, etc., when the Company has no any material investment plans or any material cash expenditures, provided the funds for the business development of the Company have been satisfied, the aggregate profits distributed by the Company in cash shall not be less than 30% of the annual distributable profits for the next three years (2021–2023).
3. 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.
4. Subject to the satisfaction by the Company of the percentage of cash dividend distribution, the Company may distribute profits by issuing bonus shares.

5. The profit distribution plan of the Company shall be subject to consideration and approval by the Board of Directors, and be submitted to the general meeting for approval after independent directors have expressed independent opinions. The Company accepts suggestions on and supervision over the Company's dividends from all shareholders, independent directors and supervisors.

Article IV Formulation cycle and decision-making mechanism of shareholder return plan

1. The Company shall review its shareholder return plan at least once every three years, and make necessary and appropriate amendments to the profit distribution policy implemented by the Company after seeking the opinions of shareholders, in particular minority shareholders, independent directors and supervisors in order to determine the shareholder return plan for the specified period.
2. The Board of Directors of the Company shall formulate the shareholder return plan based on the actual operation of the Company and fully taking into account the profit scale, cash flow condition, development stage and current funds needs of the Company to protect the interests of shareholders, in particular minority shareholders. The Board of Directors shall carry out specific discussion based on the sustainable development of the Company and fully listen to the opinions from shareholders, in particular minority shareholders, independent directors and supervisors. The shareholder return plan shall be implemented after consideration and approval by the Board of Directors and the general meeting of the Company.

Article V The Plan shall be interpreted by the Board of Directors the Company and take effect from the date of consideration and approval at the general meeting of the Company.

APPENDIX VI REGULATION REGARDING THE PROVISION OF GUARANTEE FOR HONGYUAN HENGLI (SHANGHAI) INDUSTRIAL CO., LTD.

RESOLUTION REGARDING THE PROVISION OF GUARANTEE FOR HONGYUAN HENGLI (SHANGHAI) INDUSTRIAL CO., LTD.

Hongyuan Hengli (Shanghai) Industrial Co., Ltd. (“**Hongyuan Hengli**”) is a wholly-owned subsidiary engaged in risk management of Hongyuan Futures Co., Ltd. (“**Hongyuan Futures**”), a wholly-owned subsidiary of Shenwan Hongyuan Group Co., Ltd. (the “**Company**”). The Company held a meeting of the Board of Directors and a general meeting on February 26, 2019 and March 21, 2019, respectively, at which the Regulation 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 for a term of two years from the date of consideration and approval at the general meeting.

Given that the last round of credit guarantee has expired, in order to meet the needs of Hongyuan Hengli’s business development, it is proposed to approve the Company’s provision of guarantee for the external financing of Hongyuan Hengli in an amount of no more than RMB1 billion (including the bank facilities which have been in force but not expired). The guarantee can be recycled to the extent of the quota, and the specific guarantee amount, guarantee term, implementation period, etc. shall be subject to the content and method finally agreed with the relevant commercial banks. The abovementioned guarantee and authorization are deemed valid for the guarantees entered into within 24 months from the date of consideration and approval at the general meeting, and the validity of the guarantee contract shall be subject to the terms of the signed company guarantee contract, and it is approved to implement the guarantee in instalments by the management of the Company to the extent of the quota depending on the business development of Hongyuan Hengli. Details are as follows:

I. REASONS FOR THE PROVISION OF GUARANTEE

Hongyuan Hengli is principally engaged in basis trading business, market making business and OTC derivatives business. Basis trading is an industry encouraged by national policies. It is characterized by low risk and capital intensive and requires a larger business scale to increase the margin of safety and profitability. Risk management subsidiaries engaged in this business in the industry generally adopt commercial bank facilities to support business development.

II. BASIC INFORMATION ON THE GUARANTEED ENTITY

1. Company Name: Hongyuan Hengli (Shanghai) Industrial Co., Ltd.
2. Date of establishment: June 18, 2013
3. Registered address: Room 309, 3/F, Building 2, No. 351 Wenshui East Road, Hongkou District, Shanghai
4. Legal representative: Zhao Xiaoli
5. Registered capital: RMB500 million
6. Business scope: industrial investment, investment management, trade economy and agency, import and export of goods and technologies, supply chain management, goods warehousing, business consulting, sales and wholesale of various non-ferrous metal chemical products, agricultural products, etc.

**APPENDIX VI REGULATION REGARDING THE PROVISION OF GUARANTEE
FOR HONGYUAN HENGLI (SHANGHAI) INDUSTRIAL CO., LTD.**

7. Related relationship with the group company:

Hongyuan Futures Co., Ltd. is a wholly-owned subsidiary of Shenwan Hongyuan Group Co., Ltd.;

Hongyuan Hengli (Shanghai) Industrial Co., Ltd. is a wholly-owned subsidiary of Hongyuan Futures Co., Ltd.

8. Property and control relationship:

Hongyuan Hengli (Shanghai) Industrial Co., Ltd. is 100% owned by its parent company Hongyuan Futures Co., Ltd.

9. The total assets, liabilities, net assets and net profit of the guaranteed entity in each year are as follows:

Item	2019	2020
Total assets (RMB'0,000)	257,352.82	292,727.82
Total liabilities (RMB'0,000)	206,558.18	241,320.60
Including: Total bank loans (RMB'0,000)	14,999.64	40,988.22
Total current liabilities (RMB'0,000)	206,535.35	241,320.60
Net assets (RMB'0,000)	50,794.64	51,407.22
Operating income (RMB'0,000)	707,846.19	856,545.90
Total profit (RMB'0,000)	3,733.83	5,992.64
Net profit (RMB'0,000)	2,796.86	4,612.59

Note: The relevant indicators of the guaranteed entity are audited financial data as of December 31, 2020.

III. GUARANTEE RISKS

Hongyuan Hengli as the guaranteed entity has standardized management and good operating conditions, and the financial risks in relation to provision of guarantee to it are within the controllable range. The Company has absolute control over the operation of the guaranteed entity, the guarantee risks are small, and the Company's interests will not be harmed.

IV. EXPLANATION ON COUNTER GUARANTEE

Hongyuan Hengli is a wholly-owned subsidiary of the Company. According to the relevant provisions of the External Guarantee Management System of Shenwan Hongyuan Group Co., Ltd. (Trial Implementation), no counter guarantee was provided for the abovementioned guarantee.

**APPENDIX VI REGULATION REGARDING THE PROVISION OF GUARANTEE
FOR HONGYUAN HENGLI (SHANGHAI) INDUSTRIAL CO., LTD.**

V. NUMBER OF ACCUMULATED EXTERNAL GUARANTEES AND NUMBER OF OVERDUE GUARANTEES

As of March 30, 2021, the total amount of guarantees provided by the Company and its controlled subsidiaries as RMB873.6 million, all of which are guarantees provided for Hongyuan Hengli; the accumulated amount of overdue guarantees was nil, the amount of guarantees involved in litigations was nil, and the amount of losses to be borne due to loss of lawsuit in relation to guarantee was nil.

After the provision of the guarantee, the total amount of guarantees provided by the Company and its controlled subsidiaries does not exceed RMB1 billion, representing 0.97% of the latest audited net assets of the Company. The accumulated amount of overdue guarantees was nil, the amount of guarantees involved in litigations was nil, and the amount of losses to be borne due to loss of lawsuit in relation to guarantee was nil.

VI. MATTERS SUBJECT TO CONSIDERATION

1. It is proposed to consider and approve the Company's provision of guarantee for the external financing of Hongyuan Hengli in an amount of no more than RMB1 billion (including the bank facilities which have been in force but not expired). The guarantee can be recycled to the extent of the quota, and the specific guarantee amount, guarantee term, implementation period, etc. shall be subject to the content and method finally agreed with the relevant commercial banks. The abovementioned guarantee and authorization are deemed valid for the guarantees entered into within 24 months from the date of consideration and approval at the general meeting, and the validity of the guarantee contract shall be subject to the terms of the signed company guarantee contract.
2. It is proposed to authorize the management of the Company to determine the specific matters of the implementation of the guarantee according to Hongyuan Hengli's application and the development of its principal businesses, and proceed with the signing of legal documents in relation to the guarantee, etc.

The abovementioned guarantee is an estimate of the annual guarantee quota of Hongyuan Hengli and is credit guarantee. A specific guarantee agreement shall be signed based on the actual guarantee amount to the extent of the guarantee quota.

COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION
OF SHENWAN HONGYUAN GROUP CO., LTD.

Original Articles	Amended Articles	Explanations of Amendment
<p>Article 8 In accordance with the relevant regulations of the Constitution of the Communist Party of China and the Company Law, organizations of the Communist Party of China shall be established in Shenwan Hongyuan Group Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd. in the form of the party committee of the Communist Party of China (hereinafter referred to as the “Party Committee”); the Party Committee shall play the leadership role, providing direction, managing the overall situation and ensuring implementation. The working organs of the Party shall be established, equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.</p>	<p>Article 8 In accordance with the relevant regulations of the Constitution of the Communist Party of China and the Company Law, organizations of the Communist Party of China shall be established in Shenwan Hongyuan Group Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd. in the form of the party committee of the Communist Party of China (hereinafter referred to as the “Party Committee”); the Party Committee shall play the leadership role, providing direction, managing the overall situation and ensuring implementation. The working organs of the Party shall be established, equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.</p>	<p>Article 11 of the Working Rules of Basic Organizations of the State-owned Enterprises of the Communist Party Committee of China (Trial) stipulates that “the party committees (party groups) of state-owned enterprises shall play a leading role in providing the direction, managing the overall situation and ensuring implementation, and discussing and deciding on major issues of the enterprises in accordance with the regulations”.</p> <p>This Article is amended based on the original statement in the Articles of Association.</p>
<p>Article 12 Senior management members referred to in these Articles of Association include the general manager, the deputy general manager, the chief financial officer, the secretary to the board of directors (hereinafter referred to as “Board” or “Board of Directors”), and such other personnel resolved and engaged by the Board to perform the duties of senior management members.</p>	<p>Article 12 Senior management members referred to in these Articles of Association include the general manager, the deputy general manager, <u>a member of the Executive Committee</u>, the chief financial officer, the secretary to the Board of Directors (hereinafter referred to as “Board” or “Board of Directors”), and such other personnel resolved and engaged by the Board to perform the duties of senior management members.</p>	<p>The Company shall establish an Executive Committee to exercise its operational and management powers, and the members of the Executive Committee shall be the senior management of the Company.</p> <p>This Article is amended based on the original statement in the Articles of Association.</p>

Original Articles	Amended Articles	Explanations of Amendment
<p>Article 57 The Party Committee shall perform its duties in accordance with the internal regulations of the Party including the Constitution of the Communist Party of China and the Working Rules of the Communist Party Committee of China (Trial).</p> <p>(I) to ensure and supervise the implementation of policies and guidelines of the Party and the State in the Company, and implement major strategic decisions of the Central Committee of the Party and the State Council, as well as important work arrangements of the Party organizations of higher levels.</p>	<p>Article 57 The Party Committee shall perform its duties in accordance with the internal regulations of the Party including the Constitution of the Communist Party of China, <u>the Working Rules of the Communist Party Committee of China and the Working Rules of Basic Organizations of the State-owned Enterprises of the Communist Party Committee of China (Trial).</u></p> <p>(I) <u>to enhance the building of politics of the Party, adhere to and implement the fundamental system, basic system and important system of socialism with Chinese characteristics as well as educate and guide all Party members to maintain a high degree of consistency with the Party Central Committee with Comrade Xi Jinping as the core in the political stance, political direction, political principles and political path.</u></p>	<p>This Article is amended based on the original statement in the Articles of Association in accordance with the provisions of Article 11 of the Working Rules of Basic Organizations of the State-owned Enterprises of the Communist Party Committee of China (Trial) in respect of main duties of the party committees (party groups) of state-owned enterprises.</p>

Original Articles	Amended Articles	Explanations of Amendment
<p>(II) to strengthen its leadership and gate keeping role in the process of selection and appointment of personnel, focus on standards, procedures, evaluation, recommendation and supervision, and adhere to the combination of the principle of the Party supervising the performance of officials and the lawful selection of operation managers by the Board of Directors and the lawful exercise of the right of employment by the operation managers.</p> <p>(III) to research and discuss the reform, development and stability of the Company, major operational and management issues and major issues concerning employees' interests, and provide comments and suggestions; to support the general meeting, the Board of Directors, the Supervisory Committee and the senior management in performing their duties in accordance with law, and support the employee representatives' meeting in carrying out its work.</p>	<p><u>(II) to thoroughly study and implement Xi Jinping Thought on Socialism with Chinese Characteristics in the new era, learn and propagate the Party's theory, thoroughly implement the Party's line, principles and policies as well as supervise and guarantee the implementation of major strategy deployments of the Party Central Committee as well as the resolutions of the Party organization at a higher level in the Company.</u></p> <p><u>(III) to investigate and discuss the significant operational and management matters and support the general meeting, the Board of Directors, the Supervisory Committee and the Executive Committee to exercise their rights and perform their duties in accordance with the laws.</u></p>	

Original Articles	Amended Articles	Explanations of Amendment
<p>(IV) to undertake the main responsibility of comprehensive and strict Party management; to lead the Company's ideological and political work, the united front work, the spiritual civilization construction, the corporate culture cultivation as well as the work of groups such as the labor union and the Communist Youth League; to lead the construction of the Party's working style and its clean and honest administration, and support the discipline inspection committee in earnestly performing its supervisory responsibilities.</p> <p>(V) to strengthen the Company's grassroots Party organizations and their team building, give full play to the role of the Party branches as strongholds and to the role of the Party members as pioneers and fine examples, and unite and lead officials and employees to devote themselves into the reform and development of the Company.</p> <p>(VI) to handle other important matters within the scope of duties of the Party Committee.</p>	<p><u>(IV) to strengthen its leadership and gate keeping role in the process of selection and appointment of personnel of the Company, and the building of the leading team, cadre team and talents team of the Company.</u></p> <p><u>(V) to undertake the main responsibility in improving Party conduct and upholding integrity, lead and support the discipline inspection commission of the Company to fulfil their supervisory and disciplining responsibilities as well as exercise strict administrative discipline and political rules and promote Party self-governance exercised fully and with rigor into the grassroots level.</u></p> <p><u>(VI) to strengthen the building of grass-root Party organizations and the Party member service, unit and lead officials and employees to devote themselves into the reform and development of the Company.</u></p>	

Original Articles	Amended Articles	Explanations of Amendment
	<p><u>(VII) to lead the ideological and political work, the spirit and civilization construction, and the united front work of the Company and lead mass organizations such as the labour union and the Communist Youth League.</u></p> <p>(VIII) to handle other important matters within the scope of duties of the Party Committee.</p>	
None	<p>New</p> <p><u>Article 58 Study and discussion by the Party Committee are pre-procedures for the Board of Directors and the Executive Committee to make decisions on major issues.</u></p> <p>(The numbering of subsequent articles shall be amended accordingly)</p>	<p>A new article is added to include the pre-procedures for the Party Committee’s study and discussion into the Articles of Association to implement the relevant requirements of Article 13 of the Working Rules of Basic Organizations of the State-owned Enterprises of the Communist Party Committee of China (Trial), which stipulates that “state-owned enterprises shall include the requirements of Party building work in their articles of association, specify the duties and authority, institutional settings, operating mechanisms, basic protections and other important matters of the Party organization, clarify that the study and discussion by the Party organization are pre-procedures for the Board of Directors and the management to make decisions on major issues, and implement the legal status of the Party organization in the corporate governance structure”.</p>

Original Articles	Amended Articles	Explanations of Amendment
<p>Article 156 The Board shall exercise the following functions and powers:</p> <p>(XI) to appoint or dismiss the Company's general manager and the secretary to the Board; to appoint or dismiss the Company's deputy general manager, chief financial officer and other senior management members as nominated by the general manager; and determine their remunerations and rewards and penalties;</p> <p>(XVIII) to listen to the work report of <u>the general manager</u> of the Company and examine <u>the general manager's</u> work;</p>	<p>Article 157 The Board shall exercise the following functions and powers:</p> <p>(XI) to appoint or dismiss the general manager, <u>the deputy general manager, a member of the Executive Committee, chief financial officer, the secretary to the Board</u> and other senior management members of the Company; and determine their remunerations and rewards and penalties;</p> <p>(XVIII) to listen to the work report of <u>the Executive Committee</u> of the Company and examine <u>the Executive Committee's</u> work;</p>	<p>Members of the Executive Committee shall be appointed or dismissed by the Board of Directors based on the nomination by the chairman and the general manager.</p> <p>The corresponding content is added based on the original statement in the Articles of Association.</p>
None	<p>New</p> <p>Article 174 <u>The Company shall establish an Executive Committee to exercise operational and management powers which will be accountable to the Board of Directors.</u></p>	A new article is added to provide for the establishment of the Executive Committee of the Company.
None	<p>New</p> <p>Article 175 <u>The members of the Executive Committee shall be the senior management of the Company who shall be recommended and nominated by the chairman of the Board and the general manager and be appointed and dismissed by the Board of Directors. The Executive Committee shall have a chairman, who shall be the chairman of the Board or the general manager.</u></p>	A new article is added to provide for the composition of the Executive Committee of the Company.

Original Articles	Amended Articles	Explanations of Amendment
None	<p data-bbox="608 293 663 321">New</p> <p data-bbox="608 363 987 497"><u>Article 176 The Executive Committee shall exercise the following functions and powers:</u></p> <p data-bbox="608 538 987 846"><u>(I) to implement the major decisions and deployments of the CPC Central Committee and the State Council, and to execute the resolutions of the general meeting and the Board of Directors of the Company.</u></p> <p data-bbox="608 887 987 1157"><u>(II) to implement relevant national laws and regulations, the important policies and work requirements from competent departments, regulatory bodies and other units.</u></p> <p data-bbox="608 1198 987 1436"><u>(III) to study and decide the specific implementation and enforcement measures of the resolutions of the general meeting or the Board of Directors.</u></p> <p data-bbox="608 1476 987 1642"><u>(IV) to consider the important rules and regulations related to the operation and management of the Company.</u></p>	<p data-bbox="1013 293 1390 602">A new article is added to provide for the functions and powers of the Executive Committee of the Company. Part of the functions and powers of the Executive Committee are stated integrating with the constitution and regulatory requirements of the Articles of Association.</p>

Original Articles	Amended Articles	Explanations of Amendment
	<p><u>(V) to draft the relevant matters as stipulated in these Articles of Association that should be decided by the Company’s general meeting and the Board of Directors, including but not limited to:</u></p> <ol style="list-style-type: none"><u>1. the Company’s plans on strategic planning, business plans, annual investment and financing, etc.;</u><u>2. the Company’ plans for merger, division, change in company form or dissolution;</u><u>3. the Company’s plans for change of registered capital and issuance of corporate bonds;</u><u>4. the Company’s plans on annual financial budgets and final accounts;</u><u>5. the Company’s financial reports (including semi-annual and annual reports);</u><u>6. the Company’s plans on annual profit distribution and losses recovery;</u>	

Original Articles	Amended Articles	Explanations of Amendment
	<p><u>7. the basic system of the Company to be decided by the general meeting and the Board of Directors;</u></p> <p><u>8. the Company's plans on the setup or adjustment of internal management structure;</u></p> <p><u>9. the plans for wages, awards and penalties of the staff of the Company;</u></p> <p><u>10. other matters that need to be submitted to the general meeting and the Board of Directors for decision.</u></p> <p><u>(VI) to consider on the establishment plan of the subsidiaries and branches, and report to the Board of Directors for approval in accordance with corresponding scope of authority if it is necessary to be considered and approved by the Board of Directors.</u></p> <p><u>(VII) to consider the important documents submitted to superior departments.</u></p>	

Original Articles	Amended Articles	Explanations of Amendment
	<p><u>(VIII) to consider major operational and management matters of the Company and its subsidiaries, and report to the Board of Directors for approval in accordance with corresponding scope of authority if it is necessary to be considered and approved by the Board of Directors.</u></p> <p><u>(IX) to consider the Company's external donations, and report to the Board of Directors for approval in accordance with corresponding scope of authority if it is necessary to be considered and approved by the Board of Directors.</u></p> <p><u>(X) to establish and revoke of the relevant professional committees set up under the Executive Committee of the Company.</u></p> <p><u>(XI) to implement the Company's compliance management objectives, assume responsibility for the Company's compliance operation and perform corresponding compliance management duties; and assume primary responsibility for overall risk management.</u></p> <p><u>(XII) Other functions and powers as delegated by the Board of Directors.</u></p>	

Original Articles	Amended Articles	Explanations of Amendment
None	<p data-bbox="595 283 999 319">New</p> <p data-bbox="595 361 999 670"><u>Article 177 The Executive Committee shall formulate the relevant work system and report to the Board of Directors for approval before implementation. The relevant work system of the Executive Committee shall include the following:</u></p> <p data-bbox="595 712 999 883"><u>(I) the conditions, procedures and participants of the Executive Committee meetings;</u></p> <p data-bbox="595 925 999 1053"><u>(II) the composition and division of the Executive Committee, as well as its duties and authorities;</u></p> <p data-bbox="595 1095 999 1223"><u>(III) the requirements for reporting by the Executive Committee to the Board of Directors;</u></p> <p data-bbox="595 1266 999 1376"><u>(IV) any other matters that the Board of Directors may deem necessary.</u></p>	<p data-bbox="999 283 1406 425">A new article is added to provide for the formulation of the work system of the Executive Committee.</p>

Original Articles	Amended Articles	Explanations of Amendment
None	<p data-bbox="595 283 999 319">New</p> <p data-bbox="595 351 999 549"><u>Article 178 The Executive Committee meeting shall be convened and presided over by the chairman, and shall not be convened until more than half of the members are present.</u></p> <p data-bbox="595 580 999 1091"><u>The matters listed on the agenda shall be discussed collectively at the Executive Committee meeting and approved by voting on each matter. Voting on matters at the Executive Committee meeting shall be on a one-person-one-vote basis, and shall be valid only with the consent of a majority of all Executive Committee members. The chairman shall have one veto right, but shall not veto a motion that has been vetoed by the Executive Committee.</u></p> <p data-bbox="595 1123 999 1455"><u>The secretariat of the Executive Committee shall keep records of the Executive Committee meeting and shall be responsible for preparing the meeting minutes or resolutions of the decisions on matters agreed at the meeting, and submitting them to the chairman for signing and issuance.</u></p>	<p data-bbox="999 283 1406 421">A new article is added to provide for the rules of procedures of the Executive Committee of the Company.</p>
<p data-bbox="188 1455 595 1923">Article 173 The Company shall have one general manager, several deputy general managers, one chief financial officer and one secretary to the Board who shall be appointed or removed by the Board. Unless otherwise specified in these Articles of Association, a director may serve concurrently as the general manager, a deputy general manager or other member of the senior management.</p>	<p data-bbox="595 1455 999 1923">Article 179 The Company shall have one general manager, several deputy general managers and <u>members of the Executive Committee</u>, one chief financial officer and one secretary to the Board who shall be appointed or removed by the Board. Unless otherwise specified in these Articles of Association, a director may serve concurrently as the general manager, a deputy general manager or other member of the senior management.</p>	<p data-bbox="999 1455 1406 1559">It is amended in accordance with the Company’s establishment of the Executive Committee.</p>

Original Articles	Amended Articles	Explanations of Amendment
<p>Article 176 The general manager shall be accountable to the Board and exercise the following functions and powers:</p> <p>(I) to manage the daily business operations of the Company, organize and implement the Board’s resolutions, and report to the Board;</p> <p>(II) to organize and implement the Company’s annual business plans and investment plans;</p> <p>(III) to prepare the plan for the establishment of internal management of the Company;</p> <p>(IV) to prepare the plan of the basic management system of the Company;</p> <p>(V) to formulate the Company’s specific rules;</p> <p>(VI) to recommend the appointment or dismissal of deputy general manager, chief financial officer;</p> <p>(VII) to decide to appoint or dismiss executives other than those appointed or dismissed by the Board;</p> <p>(VIII) to exercise other functions and powers conferred in these Articles of Association or by the Board.</p> <p>The general manager shall attend the Board meetings.</p>	<p>Article 182 The general manager shall be accountable to the Board and exercise the following functions and powers:</p> <p>(I) to manage the daily business operations of the Company, organize and implement the Board’s resolutions, and report to the Board;</p> <p>(II) to organize and implement the Company’s annual business plans and investment plans;</p> <p><u>(III) to organize the drafting of important rules and regulations related to the operation and management of the Company;</u></p> <p>(IV) <u>to organize the formulation of general rules and regulations related to the operation and management</u> of the Company;</p> <p>(V) to recommend the appointment or dismissal of deputy general manager, chief financial officer <u>and other senior management members</u>;</p> <p>(VI) to decide to appoint or dismiss executives other than those appointed or dismissed by the Board;</p> <p>(VII) to exercise other functions and powers conferred in these Articles of Association or by the Board.</p> <p>The general manager shall attend the Board meetings.</p>	<p>After the establishment of the Executive Committee, two functions and powers of the general manager, namely “to prepare the plan for the establishment of internal management of the Company” and “to prepare the plan of the basic management system of the Company”, shall be adjusted to the Executive Committee based on the actual situation of the Company. Adjustments shall be made to the corresponding statement of the functions and powers of the general manager.</p>

Original Articles	Amended Articles	Explanations of Amendment
<p>Article 177 The general manager shall formulate his/her working rules, which shall come into effect upon approval by the Board. The working rules of general manager shall contain the following:</p> <p>(I) conditions for the convening of and the procedure for the general manager's meeting, and the personnel to attend the meeting;</p> <p>(II) specific duties, division of work, and specific implementation measures of the general manager, vice general manager and other senior management;</p> <p>(III) the authority to utilize the Company's funds and assets and to enter into material contracts, and the reporting system to the Board and the Supervisory Committee;</p> <p>(IV) other matters which the Board considers necessary.</p>	Delete	A new provision has been added on the formulation of the work system of the Executive Committee of the Company.
<p>Article 179 The deputy general managers and the chief financial officer of the Company shall be nominated by the general manager and shall be appointed by the Board of Directors. The deputy general managers shall be accountable to the general manager.</p>	Delete	It is amended in accordance with the Company's establishment of the Executive Committee.

Original Articles	Amended Articles	Explanations of Amendment
<p>Article 192 The Company shall have a Supervisory Committee. The Supervisory Committee shall consist of nine supervisors, with one chairman and one vice chairman of the Supervisory Committee. The election and removal of the chairman and vice chairman of the Supervisory Committee shall be determined by the affirmative votes of more than two-thirds of the members of the Supervisory Committee. The chairman of the Supervisory Committee shall convene and preside over a meeting of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his/her duties, the vice chairman of the Supervisory Committee shall convene and preside over the meeting of the Supervisory Committee. Where the vice chairman of the Supervisory Committee is unable or fails to perform his/her duties, a supervisor selected by more than one half of all supervisors shall convene and preside over the meeting of the Supervisory Committee.</p> <p>The Supervisory Committee shall consist of shareholder representatives and an appropriate proportion of the Company’s employee representatives and the percentage of employee representatives shall not be less than one-third. The employee representatives of the Supervisory Committee shall be elected by employees of the Company at the employee representatives’ meeting, employee meeting or otherwise democratically.</p>	<p>Article 196 The Company shall have a Supervisory Committee. The Supervisory Committee shall consist of five to nine supervisors, with one chairman and one vice chairman of the Supervisory Committee. The election and removal of the chairman and vice chairman of the Supervisory Committee shall be determined by the affirmative votes of more than two-thirds of the members of the Supervisory Committee. The chairman of the Supervisory Committee shall convene and preside over a meeting of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his/her duties, the vice chairman of the Supervisory Committee shall convene and preside over the meeting of the Supervisory Committee. Where the vice chairman of the Supervisory Committee is unable or fails to perform his/her duties, a supervisor selected by more than one half of all supervisors shall convene and preside over the meeting of the Supervisory Committee.</p> <p>The Supervisory Committee shall consist of shareholder representatives and an appropriate proportion of the Company’s employee representatives and the percentage of employee representatives shall not be less than one-third. The employee representatives of the Supervisory Committee shall be elected by employees of the Company at the employee representatives’ meeting, employee meeting or otherwise democratically.</p>	<p>It is amended in accordance with the Company’s intention to adjust the composition of the Supervisory Committee.</p>

Note: Due to the addition and deletion of articles, the numbering of subsequent articles shall be amended accordingly.

COMPARISON TABLE OF AMENDMENT TO ARTICLES OF RULES
OF PROCEDURE OF THE BOARD OF DIRECTORS
OF SHENWAN HONGYUAN GROUP CO., LTD.

Current Rules of Procedure for the Board of Directors	Amended Rules of Procedure for the Board of Directors	Explanations of Amendment
<p>Article 2 The Board shall exercise the following functions and powers:</p> <p>(I) to convene general meetings and report to general meetings;</p> <p>(II) to execute resolutions of general meetings;</p> <p>(III) to resolve on the Company's business plans and investment plans;</p> <p>(IV) to prepare the annual financial budgets and final accounting plans of the Company;</p> <p>(V) to prepare the profit distribution plan and loss makeup plan of the Company;</p> <p>(VI) to formulate the adjustment plan on profit distribution policy;</p> <p>(VII) 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;</p> <p>(VIII) to formulate plans for material acquisitions, purchase of shares of the Company, or merger, division, transformation and dissolution of the Company;</p>	<p>Article 2 The Board shall exercise the following functions and powers:</p> <p>(I) to convene general meetings and report to general meetings;</p> <p>(II) to execute resolutions of general meetings;</p> <p>(III) to resolve on the Company's business plans and investment plans;</p> <p>(IV) to prepare the annual financial budgets and final accounting plans of the Company;</p> <p>(V) to prepare the profit distribution plan and loss makeup plan of the Company;</p> <p>(VI) to formulate the adjustment plan on profit distribution policy;</p> <p>(VII) 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;</p> <p>(VIII) to formulate plans for material acquisitions, purchase of shares of the Company, or merger, division, transformation and dissolution of the Company;</p>	<p>According to the amendments to the Articles of Association, the content of the functions and powers of the Board of Directors in paragraphs 11 and 18 shall be amended.</p>

Current Rules of Procedure for the Board of Directors	Amended Rules of Procedure for the Board of Directors	Explanations of Amendment
(IX) to decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, asset write-off, disposal of non-performing assets, consigned financial management, connected transactions, etc. of the Company within the authority granted by the general meeting;	(IX) to decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, asset write-off, disposal of non-performing assets, consigned financial management, connected transactions, etc. of the Company within the authority granted by the general meeting;	
(X) to resolve on the establishment of internal management organizations and branches of the Company;	(X) to resolve on the establishment of internal management organizations and branches of the Company;	
(XI) to appoint or dismiss the Company's general manager and <u>the secretary to the Board; to appoint or dismiss the Company's deputy general manager, chief financial officer</u> and other senior management members <u>as nominated by the general manager</u> ; and determine their remunerations and rewards and penalties;	(XI) to appoint or dismiss the Company's general manager, <u>deputy general manager, members of the Executive Committee, chief financial officer, the secretary to the Board</u> and other senior management members; and determine their remunerations and rewards and penalties;	
(XII) to set up the basic management system of the Company;	(XII) to set up the basic management system of the Company;	
(XIII) to formulate the proposals for any amendment to the Articles of Association;	(XIII) to formulate the proposals for any amendment to the Articles of Association;	
(XIV) to formulate the share incentive scheme;	(XIV) to formulate the share incentive scheme;	
(XV) to prepare proposals regarding the amount and distribution method of the emoluments of directors for approval at the general meeting;	(XV) to prepare proposals regarding the amount and distribution method of the emoluments of directors for approval at the general meeting;	

Current Rules of Procedure for the Board of Directors	Amended Rules of Procedure for the Board of Directors	Explanations of Amendment
<p>(XVI) to manage the disclosure of information by the Company;</p> <p>(XVII) to propose to general meetings the appointment or change of the accounting firm acting as the auditors of the Company;</p> <p>(XVIII) to listen to the work report of the general manager of the Company and examine the general manager's work;</p> <p>(XIX) to review major risk management policies such as risk appetite;</p> <p>(XX) 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.</p> <p>Matters beyond the scope authorized by the general meeting shall be submitted to the general meeting for decision.</p>	<p>(XVI) to manage the disclosure of information by the Company;</p> <p>(XVII) to propose to general meetings the appointment or change of the accounting firm acting as the auditors of the Company;</p> <p>(XVIII) to listen to the work report of the Executive Committee of the Company and examine the Executive Committee's work;</p> <p>(XIX) to review major risk management policies such as risk appetite;</p> <p>(XX) 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.</p> <p>Matters beyond the scope authorized by the general meeting shall be submitted to the general meeting for decision.</p>	

Current Rules of Procedure for the Board of Directors	Amended Rules of Procedure for the Board of Directors	Explanations of Amendment
<p>Unless otherwise provided by the Articles of Association, resolutions of the Board of Directors shall be passed by more than half of all directors. However, the board resolutions regarding the above items (VII), (VIII), (XIII), and important matters (including: increase or reduction of the registered capital of the Company; demerger, merger, dissolution, liquidation or change in the form of the Company; any purchase or disposal of substantial assets made or guarantee provided by the Company within one year, the amount of which exceeds 30% of the total assets as presented in the latest audited consolidated financial statements of the Company; repurchase of the Company's shares; external guarantee; any other matters as required by the laws, administrative regulations or the Articles of Association of the Company and matters which, if resolved by way of an ordinary resolution by the Board of Directors, will have a material impact on the Company and need be adopted by way of special resolutions) shall be passed by two-thirds or more of all directors.</p>	<p>Unless otherwise provided by the Articles of Association, resolutions of the Board of Directors shall be passed by more than half of all directors. However, the board resolutions regarding the above items (VII), (VIII), (XIII), and important matters (including: increase or reduction of the registered capital of the Company; demerger, merger, dissolution, liquidation or change in the form of the Company; any purchase or disposal of substantial assets made or guarantee provided by the Company within one year, the amount of which exceeds 30% of the total assets as presented in the latest audited consolidated financial statements of the Company; repurchase of the Company's shares; external guarantee; any other matters as required by the laws, administrative regulations or the Articles of Association of the Company and matters which, if resolved by way of an ordinary resolution by the Board of Directors, will have a material impact on the Company and need be adopted by way of special resolutions) shall be passed by two-thirds or more of all directors.</p>	

Current Rules of Procedure for the Board of Directors	Amended Rules of Procedure for the Board of Directors	Explanations of Amendment
<p>Article 14 Proposals at the Board meetings</p> <p>The following persons or institutions may submit proposals to the Board of Directors in accordance with relevant provisions of laws, administrative regulations, departmental rules, listing rules at the place(s) where the Company's shares are listed, the Articles of Association and other institutional documents of the Company:</p> <p>(I) over one third of the Directors;</p> <p>(II) the chairman of the Board;</p> <p>(III) <u>the general manager</u>;</p> <p>(IV) over one half of the independent non-executive directors;</p> <p>(V) the Supervisory Committee;</p> <p>(VI) the shareholders representing more than one tenth of the voting rights;</p> <p>(VII) each special committee established by the Board of Directors.</p> <p>The content of the proposals of the Board of Directors shall fall within the scope of its terms of reference with clear topics and specific resolutions.</p>	<p>Article 14 Proposals at the Board meetings</p> <p>The following persons or institutions may submit proposals to the Board of Directors in accordance with relevant provisions of laws, administrative regulations, departmental rules, listing rules at the place(s) where the Company's shares are listed, the Articles of Association and other institutional documents of the Company:</p> <p>(I) over one third of the Directors;</p> <p>(II) the chairman of the Board;</p> <p>(III) <u>the Executive Committee</u>;</p> <p>(IV) the general manager;</p> <p>(V) over one half of the independent non-executive directors;</p> <p>(VI) the Supervisory Committee;</p> <p>(VII) the shareholders representing more than one tenth of the voting rights;</p> <p>(VIII) each special committee established by the Board of Directors.</p> <p>The content of the proposals of the Board of Directors shall fall within the scope of its terms of reference with clear topics and specific resolutions.</p>	<p>According to the amendments to the Articles of Association, the Executive Committee shall exercise its operational and management powers, and is therefore added as a proposer of the Board of Directors.</p>

**APPENDIX IX COMPARISON TABLE OF AMENDMENTS TO THE RULES
OF PROCEDURE OF THE BOARD OF SUPERVISORS**

**COMPARISON TABLE OF AMENDMENT TO ARTICLES OF RULES
OF PROCEDURE OF THE SUPERVISORY COMMITTEE
OF SHENWAN HONGYUAN GROUP CO., LTD.**

Current Rules of Procedure for the Supervisory Committee	Revised Rules of Procedure for the Supervisory Committee	Explanations of Amendment
<p>Article 8 Proposals of the meeting of the Supervisory Committee</p> <p>The following persons or institutions may submit proposals to the Supervisory Committee:</p> <p>(I) chairman of the Supervisory Committee;</p> <p>(II) the Board of Directors;</p> <p>(III) general manager;</p> <p>(IV) over one third of the supervisors.</p> <p>For matters not listed on the agenda of the meeting of the Supervisory Committee, the Supervisory Committee shall not form resolutions, which exclude however any supplements, amendments and changes involved in the proposals already listed on the agenda.</p>	<p>Article 8 Proposals of the meeting of the Supervisory Committee</p> <p>The following persons or institutions may submit proposals to the Supervisory Committee:</p> <p>(I) chairman of the Supervisory Committee;</p> <p>(II) the Board of Directors;</p> <p>(III) <u>the Executive Committee;</u></p> <p>(IV) general manager;</p> <p>(V) over one third of the supervisors.</p> <p>For matters not listed on the agenda of the meeting of the Supervisory Committee, the Supervisory Committee shall not form resolutions, which exclude however any supplements, amendments and changes involved in the proposals already listed on the agenda.</p>	<p>According to the amendments to the Articles of Association, the Executive Committee shall exercise its operational and management powers, and is therefore added as a proposer of the Supervisory Committee.</p>

**APPENDIX X COMPARISON TABLE OF THE PLAN OF GRANTING AUTHORIZATION BY THE
GENERAL MEETING TO THE BOARD OF DIRECTORS (2020)**

**COMPARISON TABLE OF AMENDMENT TO ARTICLES OF
THE PLAN ON AUTHORIZATION TO THE BOARD BY THE GENERAL MEETING
OF SHENWAN HONGYUAN GROUP CO., LTD. (2020)**

Current Plan on Authorization to the Board by the General Meeting (2020)	Amended Plan on Authorization to the Board by the General Meeting	Explanations of Amendment
The Plan on Authorization to the Board by the General Meeting of Shenwan Hongyuan Group Co., Ltd. (2020)	The Plan on Authorization to the Board by the General Meeting of Shenwan Hongyuan Group Co., Ltd.	Based on the actual situation of the Company
Part III Special Instructions for the Authorization Plan (VI) If any provision of the Authorization Plan is ambiguous, it shall be interpreted in accordance with the laws and regulations and the Articles of Association; otherwise, it shall be interpreted by the Board. Unless expressly stipulated in the laws and regulations and the Articles of Association that relevant powers shall be reserved to the Board or which are clearly stated in the Authorization Plan not to be delegated, the Board may delegate part of the authorization under this Authorization Plan to the <u>general manager</u> .	Part III Special Instructions for the Authorization Plan (VI) If any provision of the Authorization Plan is ambiguous, it shall be interpreted in accordance with the laws and regulations and the Articles of Association; otherwise, it shall be interpreted by the Board. Unless expressly stipulated in the laws and regulations and the Articles of Association that relevant powers shall be reserved to the Board or which are clearly stated in the Authorization Plan not to be delegated, the Board may delegate part of the authorization under this Authorization Plan to <u>the operation and management members</u> .	According to the Company's establishment of the Executive Committee and amendments to the Articles of Association, the relevant statement is revised accordingly.

**APPENDIX XI BIOGRAPHICAL DETAILS OF THE CANDIDATES FOR NON-INDEPENDENT
DIRECTORS OF THE FIFTH SESSION OF THE BOARD OF DIRECTORS**

Mr. Chu Xiaoming, aged 59, currently serves as an executive director and the chairman of the Board of Shenwan Hongyuan Group Co., Ltd.. Mr. Chu successively held various positions at the Industrial and Commercial Bank of China from August 1984 to June 2002, including staff member, deputy chief section member of the business credit department, the principal and deputy head of the project appraisal office of the technology renovation and loan department, deputy head of the investigation and appraisal office of the technology renovation and loan department, head of the investigation and appraisal office of the fixed assets loan department, head of the infrastructure appraisal office of the valuation and consultancy department, the general manager of Yintong Investment Consulting Company Limited, and the researcher at the deputy general manager level of the banking asset risk management department successively. Mr. Chu worked at China National Offshore Oil Corporation (“CNOOC”) from June 2002 to August 2010, successively held the positions of deputy general manager of CNOOC Finance Corporation Limited, executive deputy general manager, secretary of the Party Committee and general manager of Zhonghai Trust and Investment Co., Ltd.; secretary of the Party Committee of Shenyin & Wanguo Securities Co., Ltd.*(申銀萬國證券股份有限公司) from August 2010 to December 2014; general manager of Shenyin & Wanguo Securities Co., Ltd. from October 2010 to January 2015; vice chairman of the board of directors of Shenyin & Wanguo Securities Co., Ltd. from December 2010 to February 2015; he also successively took the positions of vice chairman of the board of directors and general manager of Shenyin Wanguo (H.K.) Limited and vice chairman of the board of directors and general manager of Shenwan Hongyuan (International) Holdings Limited from December 2010 to March 2016; chairman of the board of directors of Shenyin Wanguo (H.K.) Limited, chairman of the board of directors of Shenwan Hongyuan (H.K.) Limited from December 2010 to March 2016 successively; vice chairman of the board of directors of SWS Research Co., Ltd. from March 2011 to December 2019; the secretary of the Party Committee of Shenwan Hongyuan Group Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd. since December 2014 till now; the executive director and chairman of the board of directors of Shenwan Hongyuan Securities Co., Ltd. since January 2015 till now; the executive director and chairman of the Board of Shenwan Hongyuan Group Co., Ltd. since February 2015 till now; and the chairman of the board of Shenwan Hongyuan (International) Holdings Limited from March 2016 to September 2019. Mr. Chu obtained the bachelor’s degree in economics from Central Institute of Finance and Banking* (中央財政金融學院, now known as Central University of Finance and Economics) in July 1984 and his MBA (International Curriculum) degree from the University of Hong Kong in December 2003.

Mr. Yang Wenqing, aged 58, currently serves as an executive director and the vice chairman of the Board of Shenwan Hongyuan Group Co., Ltd.. From September 1997 to March 2003, he successively served as department cadre of Executive Office of the China Development Bank and the office director of the business department. From April 2003 to June 2005, he served as member of the Party Committee, vice president and Secretary of Committee for Discipline Inspection of the Hainan Branch of the China Development Bank. From June 2005 to March 2008, he served as deputy director of the Party Committee Office and deputy director of the General Office of the China Development Bank. From March 2008 to December 2013, he served as Party Secretary and president of the Gansu Branch of the China Development Bank. From December 2013 to July 2015, he served as Minister of the CPC organization department and director general of Human Resources Department of the China Development Bank. From July 2015 to January 2019, he served as Secretary of Committee for Discipline Inspection and member of the Party Committee of the China Investment Corporation. Since March 2019 till now, he has served as executive director and the vice chairman of the Board of Shenwan Hongyuan Group Co., Ltd.. Mr. Yang obtained a bachelor’s degree in economics from Shanxi University of Finance and Economics in July 1986 majoring in finance. Mr. Yang is a senior economist.

**APPENDIX XI BIOGRAPHICAL DETAILS OF THE CANDIDATES FOR NON-INDEPENDENT
DIRECTORS OF THE FIFTH SESSION OF THE BOARD OF DIRECTORS**

Mr. Huang Hao, aged 48, currently serves as the general manager of Shenwan Hongyuan Group Co., Ltd.. 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. (a company listed on the Shanghai Stock Exchange, stock code: 601211, and a company listed on the Hong Kong Stock Exchange, stock code: 02611), 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 (a company listed on the Shanghai Stock Exchange, stock code: 601995, and a company listed on the Hong Kong Stock Exchange, stock code: 03908), from February 2020 to December 2020. He has served as the general manager of Shenwan Hongyuan Group Co., Ltd. since December 2020.

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. Mr. Huang is a senior economist.

Ms. Ge Rongrong, aged 53, currently serves as a non-executive director of Shenwan Hongyuan Group Co., Ltd.. Ms. Ge served as a staff member in the finance division of foreign trade and economic bureau in Huangshan City from July 1989 to August 1991; a lecturer for the School of Economics and Management in Beijing University of Technology from July 1994 to August 1998; an associate research fellow in the research department of Dapeng Securities Company (Beijing)* (大鵬證券公司北京) from August 1998 to September 2001; director officer of the department of public offering supervision of the CSRC from September 2001 to March 2005; senior manager and deputy head of the Department of China Construction Bank Shareholding Management of Central Huijin Investment Ltd. successively from March 2005 to September 2007; deputy officer and officer of China Construction Bank Shareholding Management Division of the Banking Department at Central Huijin Investment Ltd. successively from September 2007 to February 2011; employee supervisor of the board of supervisors of Central Huijin Investment Ltd. from September 2008 to November 2011; proposed director of the Banking Department at Central Huijin Investment Ltd. from February 2011 to January 2012; non-executive director of Industrial and Commercial Bank of China Limited from January 2012 to June 2017; division chief and director of Research Support Division of Banking Institutions Department I of Central Huijin Investment Ltd. successively from January 2013 to July 2017; deputy officer and managing director of Banking Institutions Department I of Central Huijin Investment Ltd. successively from June 2015 to December 2017; and an independent director of ICBC Credit Suisse Asset Management Co. Ltd. from March 2018 to June 2019. She has been a designated director of the office of the directly managed enterprises leading group/equity management department II of Central Huijin Investment Ltd. since March 2019 till now; a non-executive director of Shenwan Hongyuan Group Co., Ltd. since March 2019 till now; and a non-executive director of Shenwan Hongyuan Securities Co., Ltd. since June 2019 till now.

**APPENDIX XI BIOGRAPHICAL DETAILS OF THE CANDIDATES FOR NON-INDEPENDENT
DIRECTORS OF THE FIFTH SESSION OF THE BOARD OF DIRECTORS**

Ms. Ge Rongrong obtained a bachelor's degree in engineering from Zhejiang University in July 1989 majoring in materials science and engineering, a master's degree in economics from Beijing Normal University in June 1994 majoring in political economics and a doctorate degree in management from the School of Management of University of Science and Technology of China in December 2006. Ms. Ge is a senior economist.

Mr. Ren Xiaotao, aged 50, currently serves as a non-executive director of Shenwan Hongyuan Group Co., Ltd.. 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; and non-executive director of Shenwan Hongyuan Securities Co., Ltd. since June 2019 till now.

Mr. Ren obtained a bachelor's degree in science from Northeast Normal University in June 1994, and a master's degree in economics from the Central University of Finance and Economics in June 2002 majoring in finance.

Mr. Zhang Yigang, aged 58, currently serves as a non-executive director of Shenwan Hongyuan Group Co., Ltd.. Mr. Zhang successively worked at the Diversified Operation Office of Yanting County Government, Sichuan Province, the Policy Research Office of the County Party Committee and the Office of the County Party Committee of Yanting County, Sichuan Province, and the Municipal Party Committee Office of Mianyang City, Sichuan Province from August 1983 to May 1998. He served as the secretary at deputy director general level and the secretary at director general level of the General Office of Sichuan Provincial Party Committee from May 1998 to December 2007 (during which, he concurrently served as the deputy general manager of Sichuan State-owned Assets Investment Management Co., Ltd. (四川省國有資產投資管理有限責任公司) from December 2001 to January 2007). From December 2007 to March 2009, he served as a researcher of the office of the State-owned Assets Supervision and Administration Commission of Sichuan Province (during which he concurrently served as the chairman, the secretary of the Party committee and the secretary of the discipline inspection commission of Sichuan State-owned Assets Investment Management Co., Ltd. from January 2007 to March 2009). He successively served as the deputy general manager, a director and the deputy general manager; a member of the Party committee, a director and the deputy general manager; the deputy secretary of the Party committee, a director and the deputy general manager of Sichuan Development Holding Co., Ltd. (四川發展(控股)有限責任公司) from March 2009 to July 2019. He served as a director of Sichuan Shengtian New Energy Development Co., Ltd. (四川晟天新能源發展有限公司) from April 2015 to December 2018. From December 2015 to August 2019, he served as an executive director of Sichuan Development Guorui Mining

APPENDIX XI BIOGRAPHICAL DETAILS OF THE CANDIDATES FOR NON-INDEPENDENT
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Investment Co., Ltd. (四川發展國瑞礦業投資有限公司). He has been the chairman of Sichuan Urban and Rural Construction Investment Co., Ltd. (四川城鄉建設投資有限責任公司) since February 2015; he served as the deputy secretary of the Party committee and a director of Sichuan Development Holding Co., Ltd. from July 2019 to June 2020. He has served as the deputy secretary of the Party committee, vice chairman and general manager of Sichuan Development Holding Co., Ltd. since June 2020 and a non-executive director of Shenwan Hongyuan Group Co., Ltd. since June 2020. Mr. Zhang 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, aged 51, 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.

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. Mr. Zhu is a senior economist.

Ms. Yeung Siuman Shirley, aged 58, currently serves as an independent non-executive director of Shenwan Hongyuan Group Co., Ltd.. served as the person in charge of the international securities investment department of Verizon Investment Management Corp. from June 1993 to May 1997, the vice president of the capital market department of JP Morgan Chase & Co. from June 1997 to January 2000, and the head of China of PCCW VENTURES LIMITED, a venture capital fund under PCCW Limited (電訊盈科有限公司) from January 2000 to March 2003. She has served as the chairwoman and founding managing partner of Dragonrise Capital Advisors (HK) Limited (龍騰資本有限公司) since October 2004, concurrently the chairwoman and founding managing partner of Suzhou Longrui Venture Capital Management Co., Ltd. (蘇州龍瑞創業投資管理有限公司) since December 2009, and concurrently the chairwoman and founding managing partner of Nanjing Longjun Investment Management Co., Ltd. (南京龍駿投資管理有限公司) since April 2014. She has been an independent non-executive director of Shenwan Hongyuan Group Co., Ltd. since November 2020.

Ms. Yeung 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, aged 66, served a researcher at the China Studies Center of the University of Leuven in Belgium from February 1990 to July 1991; and an assistant professor in economics of the Business School in Hong Kong University of Science and Technology from August 1991 to June 2001; he was a visiting scholar at Northwestern's Kellogg School of Management in the U.S. from August 1997 to January 1998; a visiting professor at the Department of Applied Economics of Katholieke Universiteit Leuven in Belgium from September 1998 to December 1998; the deputy director of the Shui On Center for China Business and Management of the Business School and an adjunct associate professor of the Department of Economics of the Hong Kong University of Science and Technology since from July 2001 to June 2004; he served as the head of the Department of Strategic Management of the Guanghua School of Management of Peking University from September 2001 to January 2011; the director of the EMBA Centre of the Guanghua School of Management of Peking University from August 2002 to December 2010; and the associate dean of the Guanghua School of Management of Peking University from February 2003 to December 2010; he served as an adjunct professor in the Department of Economics of the Business School of Hong Kong University of Science and Technology from 2005 to 2011; the dean of the National High-tech Industrial Development Zone Development Strategy Research Institute of Peking University from May 2007 to December 2020; the as director of Guanghua Cisco Leadership Institute of Peking University from March 2011 to December 2020; and a visiting professor at the School of Economics and Finance of the University of Hong Kong from 2012 to 2018; he has been a professor of strategic management at the Guanghua School of Management of Peking University since September 2001; the dean and chair professor of the School of Management of Shandong University since October 2019; the executive deputy head of the International Operation and Management Institute of Peking University since September 2006; and the executive deputy head of the National High-tech Industrial Development Zone Development Strategy Institute of Peking University since January 2021. he has concurrently served as the fifth executive vice chairman of the Chinese Institute of Business Administration since September 2014; an expert in the 14th Five-Year National Intellectual Property Planning Guidance Expert Group of the China National Intellectual Property Administration since August 2019; an expert member of the Expert Committee of the China Council for the Promotion of International Trade since February 2015; the chairman of the Strategic Management Professional Committee of the China Management Science Society since September 2016; and an executive director of the China International Economic Cooperation Society since November 2019. He served as an independent director of Beijing Electronics Zone Investment and Development Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600658) from December 2012 to June 2019. He has been an external director of Haier Smart Home Co., Ltd. (a company

listed on the Shanghai Stock Exchange, stock code: 600690, a company listed on the China Europe International Exchange AG, stock code: 690D, and a company listed on the Hong Kong Stock Exchange, stock code: 6690) since April 2013; an external supervisor of Hua Xia Bank Co., Limited (a company listed on the Shanghai Stock Exchange, stock code: 600015) since May 2015; an independent director of Yijiahe Technology Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 603666) since August 2016; an independent director of Aixin Life Insurance Co., Ltd. since July 2017; an independent non-executive director of Beijing Media Corporation Limited (a company listed on the Hong Kong Stock Exchange, stock code: 1000) since June 2016; and an independent director of Tianneng Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 688819) since February 2019.

Mr. Wu obtained a doctorate in applied economics from the University of Leuven in Belgium in October 1990; a master's degree in business administration (MBA) from the University of Leuven in Belgium in February 1986; and a bachelor's degree in economics from Shandong University in July 1982.

Mr. Chen Hanwen, aged 53, 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 has been a professor and doctoral tutor of the Accounting Department of the School of International Business of the University of International Business and Economics since May 2015 (during which he has been a distinguished professor of Huiyuan of the University of International Business and Economics since May 2017 and a first-level professor at the International Business School of the University of International Business and Economics since January 2018). He has served as an independent director of Xiamen International Bank Co., Ltd. since May 2013; an independent director of Dalian Wanda Commercial Management Group Co., Ltd. since May 2017; an independent director of Shanghai Fuiou Payment Service Co., Ltd. since May 2017; an independent director of Beijing Tri-Prime Gene Pharmaceutical Co., Ltd. (a company listed on the National Equities Exchange and Quotations, stock code: 837344) since November 2018; an external supervisor of Bank of Communications Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 601328, and a company listed on the Hong Kong Stock Exchange, stock code: 03328) since June 2019; and an independent director of China Shenhua Energy Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 601088, and a company listed on the Hong Kong Stock Exchange, stock code: 01088) since May 2020.

Mr. Chen graduated from the Accounting Department of School of Economics of Xiamen University in July 1990 with a bachelor 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, aged 47. Mr. Zhao 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 of students in Civil and Commercial Law at Southwest University of Political Science and Law since September 2019; an executive member of the China Commercial Law Research Association, an external professor of Lanzhou University, and concurrently an expert member of the Commercial Trial Professional Committee of the China Trial Theory Research Association and an expert member of the Financial Trial Professional Committee since October 2019; and an executive member of the China Bank Law Research Association since November 2020. He also served as an independent director of Haohan Data Technology Co., Ltd. (a company listed on the National Equities Exchange and Quotations, stock code: 833175) from September 2016 to June 2020, and has been an independent director of Nanning Department Store Co. Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600712) since April 2018 and an independent director of Shanghai Haohai Biological Technology Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 688366, and a company listed on the Hong Kong Stock Exchange, stock code: 06826) since June 2020.

Mr. Zhao 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.

Mr. Xu Yiyang, aged 57, worked at PetroChina Changqing Oilfield Company in Qingyang, Gansu Province from September 1980 to March 1983. He worked at Dagang Petroleum Administration Bureau from March 1983 to October 1998, and successively served as deputy secretary and secretary of the Communist Youth League at Well Drilling Corporation, deputy secretary and secretary of the Communist Youth League at Dagang Petroleum Administration Bureau, and deputy Party committee secretary, secretary of the discipline inspection committee and deputy director at the Oil Refinery Plant. From October 1998 to April 2002, Mr. Xu served as Party committee secretary, director and general manager of Shanghai Ai Shi Co., Ltd.* (上海愛使股份有限公司) (now known as Shanghai U9 Game Limited Liability Company.* (上海遊久遊戲股份有限公司), a company listed on the Shanghai Stock Exchange, stock code: 600652). From April 2002 to February 2004, he was a member of the Party committee and deputy general manager of Shanghai Securities Co., Ltd. From March 2004 to May 2010, he was a member of the Party committee, deputy general manager, a member of the management committee, secretary to the board of directors and deputy chief of the leading group of emergency response to crisis of Shanghai Aijian Co., Ltd.* (上海愛建股份有限公司) (now known as Shanghai Aijian Group Co., Ltd.* (上海愛建集團股份有限公司), a company listed on the Shanghai Stock Exchange, stock code: 600643). He held concurrent posts successively as Party committee secretary, chairman of the board of directors, chief of the leading group of emergency response to crisis, vice chairman of the board of directors and acting general manager of Shanghai Aijian Securities Co., Ltd.* (上海愛建證券有限責任公司) from March 2004 to May 2010. From September 2004 to June 2010, he held concurrent posts successively as the director and vice chairman of the board of directors of Shanghai Aijian Trust Investment Co., Ltd.* (上海愛建信託投資有限責任公司). From June 2010 to December 2014, he successively served as deputy Party committee secretary and secretary of the discipline inspection committee of Shenyin & Wanguo Securities Co., Ltd. (during which: he concurrently served as the vice chairman of the board of directors of Shenyin Wanguo (H.K.) Limited (now known as Shenwan Hongyuan (International) Holdings Limited) from December 2010 to January 2016; and as the chairman of Shenyin & Wanguo Investment Co., Ltd. from January 2011 to March 2016); since December 2014, Mr. Xu has been a member of the Party committee of Shenwan Hongyuan Group Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd. Since January 2015, he has been chairman of the board of supervisors of Shenwan Hongyuan Securities Co., Ltd. (during which: he served as the secretary of the discipline inspection committee of Shenwan Hongyuan Group Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd. from December 2014 to June 2020; and concurrently served as the chairman of the labor union of Shenwan Hongyuan Securities Co., Ltd. from June 2015 to July 2019, the chairman of the board of supervisors of SWS MU Fund Management Co., Ltd. from July 2015 to March 2016, the chairman of the board of supervisors of Shenwan Hongyuan (International) Holdings Limited from January 2016 to August 2019 and the principal of the Party school of Shenwan Hongyuan Securities Co., Ltd. from June 2017 to March 2019); He has been a supervisor and the chairman of the board of supervisors of Shenwan Hongyuan Group Co., Ltd. since October 2019. He has concurrently served as the principal of the Party school of Shenwan Hongyuan Group Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd. since June 2020, a member of China Securities Industry Culture Construction Committee of the Securities Association of China since November, 2019 and the vice chairman of the Professional Committee of the Board of Supervisors of China Association for Public Companies since September, 2020.

Mr. Xu graduated from Central TV University (Tianjin) in August 1985. In June 1997, he obtained the master degree in economics from the Department of International Economics of Nankai University. In June 2013, he obtained the EMBA degree from Shanghai Advanced Institute of Finance of Shanghai Jiao Tong University. Mr. Xu is a qualified Senior Economist and Senior Political Official.

**APPENDIX XIII BIOGRAPHICAL DETAILS OF THE CANDIDATES FOR SUPERVISORS
OF THE FIFTH SESSION OF THE BOARD OF SUPERVISORS**

Ms. Chen Yan, aged 46, 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 Special Issues Department 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 from March 2012 to July 2017 (during which she temporarily served as the vice president of Beijing Yuetan Sub-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 from July 2017 to January 2020; She has been the head of the Policy Research Division of the Comprehensive Management Department of Central Huijin since January 2020.

Ms. Chen 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, aged 43, was an employee of the retail service management headquarters of Hongyuan Securities Co., Ltd. from July 2001 to June 2010 (during which, he was temporarily transferred to the Financial Work Office of Xinjiang Uyghur Autonomous Region from October 2008 to June 2010). He served as the office director of Xinjiang Financial Investment Co., Ltd. from July 2010 to March 2013; the manager of the investment management department of Xinjiang Financial Investment Co., Ltd. from March 2013 to February 2014; an employee director of Xinjiang Kaidi Investment Co., Ltd. from June 2013 to March 2020; and the general manager assistant of Xinjiang Financial Investment Co., Ltd. and Xinjiang Kaidi Investment Co., Ltd. from February 2014 to November 2016. He has been a supervisor of Shenwan Hongyuan Securities Co., Ltd. since January 2015; a director of Xinjiang Exchange Market Investment and Construction Group Co., Ltd. since April 2015; and a director of Xinjiang Tianshan Wool Textile Co., Ltd. since August 2016; he served as the chairman of Xinjiang Tianshan Industrial Investment Fund Management Co., Ltd. from September 2016 to October 2018; and the investment director of Xinjiang Kaidi Investment Co., Ltd. from November 2016 to March 2018; He has been a director of Xinjiang Microfinance Refinance Co., Ltd. since March 2018; and served as the executive deputy general manager of Xinjiang Microfinance Refinance Co., Ltd. from March 2018 to June 2019. He has been the general manager of Xinjiang Microfinance Refinance Co., Ltd. since June 2019; the deputy general manager of Xinjiang Financial Investment Co., Ltd. since December 2019; a director and the deputy general manager of Xinjiang Kaidi Investment Co., Ltd. since March 2020; and a director of Xinjiang Kaidi Mineral Investment Co., Ltd. since March 2020.

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.