



2025

Sustainability / Environmental,
Social and Governance Report

Shenwan Hongyuan Group Co., Ltd.

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About this Report

This report is the third Sustainability/ Environmental, Social, and Governance Report and the eleventh sustainable/ESG-related information disclosure report of Shenwan Hongyuan Group Co., Ltd., aiming to disclose to investors and other stakeholders the concepts, established management approaches, implemented initiatives, and achieved outcomes regarding ESG issues in the Company's operations.

Report Scope

This report covers Shenwan Hongyuan Group Co., Ltd. and its subsidiaries. Unless otherwise specified, the scope aligns with the consolidated financial statements of Shenwan Hongyuan (000166.SZ, 6806.HK) for the same period.

In this report, unless the context otherwise requires, the following terms shall have the meanings set forth below:

Abbreviations in the Report	Full Company Name
"Company" "Shenwan Hongyuan"	Shenwan Hongyuan Group Co., Ltd. and its subsidiaries
"Shenwan Hongyuan Group" "Group Company"	Shenwan Hongyuan Group Co., Ltd.
"Shenwan Hongyuan Securities" "Securities Company"	Shenwan Hongyuan Securities Co., Ltd.
"Hongyuan Futures"	Hongyuan Futures Co., Ltd.
"Hongyuan Huizhi"	Hongyuan Huizhi Investment Co., Ltd.
"Hongyuan Huifu"	Hongyuan Huifu Venture Capital Co., Ltd.
"Shenwan Hongyuan Investment"	Shenwan Hongyuan Investment Co., Ltd.
"Shenwan Hongyuan Industrial Investment"	Shenwan Hongyuan Industrial Investment Management Co., Ltd.
"Shenwan Hongyuan Financing Services"	Shenwan Hongyuan Financing Services Co., Ltd.
"SWS Research"	SWS Research Co., Ltd.
"Shenyin & Wanguo Investment"	Shenyin & Wanguo Investment Co., Ltd.
"SWS MU"	SWS MU Fund Management Co., Ltd.
"Shenyin & Wanguo Alternative Investment"	Shenyin & Wanguo Alternative Investment Co., Ltd.
"Shenwan Futures"	Shenwan Futures Co., Ltd.
"Shenwan Hongyuan Securities (Western)"	Shenwan Hongyuan Securities (Western) Co., Ltd.
"SWHYHK"	Shenwan Hongyuan Securities (H.K.) Limited
"Shenwan Hongyuan Asset Management"	Shenwan Hongyuan Securities Asset Management Co., Ltd.

Reporting Period

The period of this report is from 1/1/2025 to 31/12/2025. The data in this report is for the period unless otherwise stated.

Basis of Reporting

This report is prepared in accordance with the *Self-Regulatory Guidelines for Listed Companies of Shenzhen Stock Exchange No. 17 - Sustainability Report (Trial)* and the *Self-Regulatory Guidelines for Listed Companies of Shenzhen Stock Exchange No. 1 - Standardized Operations of Main Board Listed Companies (Revised in 2025)* of the Shenzhen Stock Exchange, the *Environmental, Social and Governance Reporting Code* of the Hong Kong Stock Exchange, and with reference to the *Corporate Sustainability Disclosure Standards - Basic Standards (Trial)* and the *Corporate Sustainability Disclosure Standard No. 1 - Climate (Trial)* issued by the Ministry of Finance of People's Republic of China (MOF), the *Content and Format Guidelines for Annual Reports of Companies Publicly Issuing Securities No.2 (2021 Revision)* issued by the China Securities Regulatory Commission (CSRC) and the Global Reporting Initiative (GRI)'s *Sustainability Reporting Standards (2021)*.

Data Description

The data and case studies in this report are derived from official records of the Company's operations. Financial data in the report is presented in Renminbi (RMB). Where financial data is inconsistent with the Company's annual financial report, the annual financial report shall prevail.

Principles of Report Preparation

Materiality

The Company identifies material topics related to its operations that are of concern to stakeholders, including investors, as the focus of this report. The reporting on material topics in this report considers both industry-specific and regional characteristics of the Company's operations. The analysis process and results of materiality identification are detailed in the "ESG Governance and Strategy" section of this report. The report emphasizes disclosures on environmental, social, and governance matters that may significantly impact investors and other stakeholders.

Accuracy

This report strives to ensure the accuracy of information. For quantitative information, the data scope, calculation methodologies, and assumptions are explained to ensure that potential margins of error do not lead to misleading conclusions. Quantitative data and explanatory notes are provided in the "ESG Data Table and Notes" section. The Board of Directors guarantees the content of this report, confirming the absence of false statements, misleading information, or material omissions.

Balance

The report reflects objective facts and discloses both positive and negative information about the Company in an impartial manner.

Clarity

This report includes tables, diagrams, and glossaries to complement textual content, facilitating stakeholders' understanding. A table of contents and an ESG standards alignment index are provided for quick access to information.

Quantification and Consistency

The report discloses key quantitative performance indicators and historical data where possible. Consistent statistical and disclosure methods are maintained for the same indicators across reporting periods. Any changes to these methods are fully explained in the report's notes to enable meaningful analysis and assessment of the Company's ESG performance trends.

Completeness

The scope of disclosures aligns with the consolidated financial statements of the Company.

Verifiability

Case studies and data in this report originate from operational records or financial reports. The Company uses the Performance Management System to manage historical ESG quantitative data, ensuring traceability of disclosed data sources and calculations to support external verification.

Report Access

This report is published electronically on the following platforms:

- Company's official website (<http://www.swhygh.com>)
- Hong Kong Exchanges and Clearing Limited's HKEXnews website(<http://www.hkexnews.hk>)
- Shenzhen Stock Exchange's official website (<http://www.szse.cn>)
- CNInfo website (<http://www.cninfo.com.cn>)

Statement of the Board of Directors on Sustainability Management

The year 2025 marks the successful conclusion of the 14th Five-Year Plan and serves as a pivotal year for laying the groundwork for the next five-year development blueprint. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Shenwan Hongyuan has actively integrated into and served the overall national development strategy. Focusing on its core business, the Company has forged core competencies, consolidated its foundations, deepened reform and transformation, and maintained a sound political ecosystem with integrity and clean governance. The Company has continuously improved its sustainability/ESG management system, deepened practices and management enhancements in key areas, and steadily enhanced its sustainable development capabilities. Through high-quality development, it strives to contribute to the building of China's financial strength.

Strengthen the foundation of sustainable development management. The company has established a three-tier ESG management structure of the Board of Directors, the Strategy and ESG Committee of the Board of Directors, and the ESG Management Leadership Group, which operates efficiently from governance, management to execution, promoting the realization of ESG management goals through practical actions. The Board of Directors, as the highest decision-making and supervisory body for the Company's ESG management, is responsible for reviewing and deciding on the Company's ESG strategic goals, plans and major matters. The Strategy and ESG Committee of the Board of Directors is responsible for studying the Company's ESG-related plans, goals, systems and major matters, providing ESG strategy-related consultation and suggestions to the Board of Directors, and inspecting the implementation of ESG work. The ESG Management Leadership Group is responsible for coordinating ESG actions across relevant departments of the Company and its subsidiaries.

Enhance sustainability management mechanism. The Company regularly conducts double materiality assessments through a combination of stakeholder questionnaires and expert scoring. Leveraging integrated policy intelligence, sectoral trend analysis, operational insights, and rigorous due diligence, alongside sustained stakeholder engagement, the Company systematically identifies, evaluates, and ranks sustainability-related impacts, risks, and opportunities to define material topics and strategic management priorities. In 2025, the Company carried out its annual double materiality analysis and formulated a list of 19 topics, with financial materiality and impact materiality assessed via stakeholder surveys and expert consultation, and identified serving



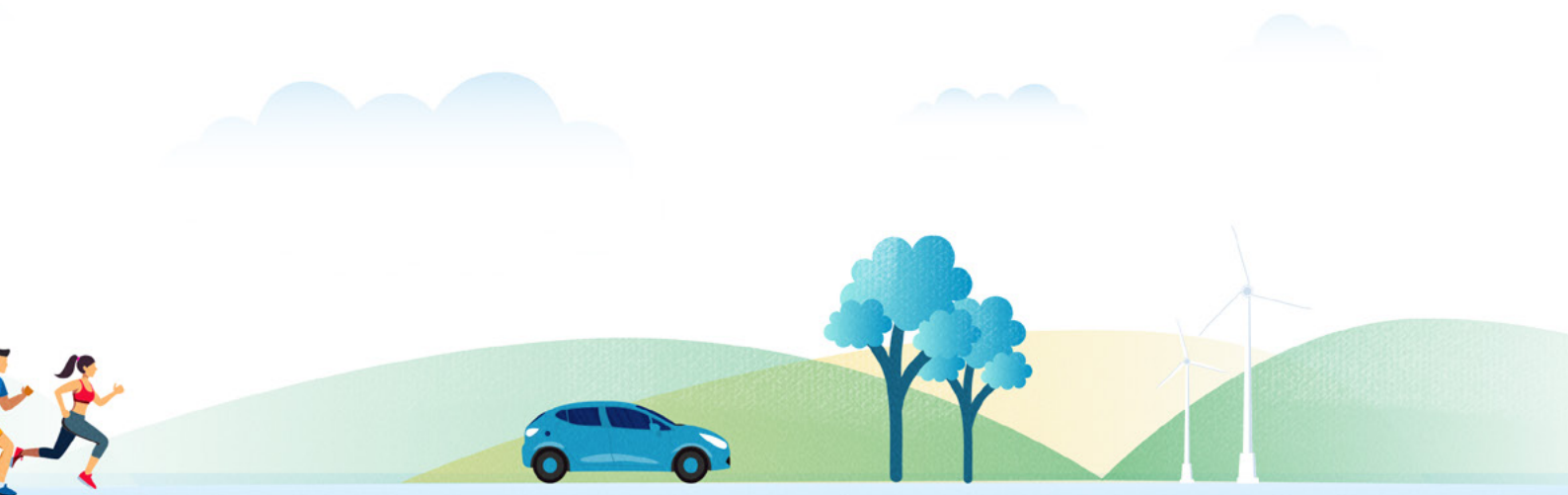
national strategies and supporting the real economy, developing green finance, providing high-quality products and services, fintech empowerment, responding to climate change, data security and customer privacy protection, and human capital development as double materiality topics. The assessment results were reviewed and confirmed by the Board of Directors, providing a basis for subsequent management and key disclosure.

Set sustainability management targets. In 2025, the Company issued the *Shenwan Hongyuan Action Plan for Sustainability and ESG Management Enhancement*, proposing the overall framework of "one vision, three pillars, one cornerstone", focusing on the key areas of "serving national strategies and supporting the real economy", "providing high-quality financial services", "empowering green and low-carbon development" and "building sustainable operations", clarifying material topics for sustainable development and ESG management, formulating targets and key focus indicators for material topics respectively, and regularly monitoring indicator performance and target achievement progress to drive continuous improvement in the Company's sustainable development and ESG performance. Based on internal and external insights, the Company formulated the *Recommendations on Further Strengthening Implementation Measures for the Action Plan for Sustainability and ESG Management Enhancement* and reported to the Strategy and ESG Committee of the Board of Directors.

In 2025, the Company's sustainable development and ESG management practices had been widely recognized, with its MSCI ESG Rating upgraded from "BBB" to "A" and its latest score in the S&P Global Corporate Sustainability Assessment (CSA) increased significantly.

Going forward, the Company will shoulder its responsibilities and missions with a higher strategic stance and stronger sense of responsibility, act with dedication and perseverance, and strive to write a new chapter of high-quality development during the 15th Five-Year Plan period, contributing Shenwan Hongyuan's strength to the realization of Chinese-style modernization.

This report fully discloses the progress and effectiveness of the Company's sustainable development and ESG work in 2025, which was reviewed and approved by the Strategy and ESG Committee of the Board of Directors on 12 March 2026 and by the Board of Directors on 27 March 2026.



About Shenwan Hongyuan

Company Profile

Shenwan Hongyuan Group Co., Ltd. is an investment holding group controlled by Central Huijin Investment Ltd. It was formed in January 2015 through the merger of the former Shenyin Wanguo Securities Co., Ltd. and the former Hongyuan Securities Co., Ltd. The Company consistently integrates sustainable development into its philosophy and practices, upholding the core values of "faith, responsibility, integrity, innovation, and pursuit of excellence," defining its mission as "providing professional services, creating value," and envisioning to "becoming a first-class investment bank and investment institution worthy of long-term trust."

Company Basic Information



Company Name

申万宏源集团股份有限公司



English Name

Shenwan Hongyuan Group Co.,Ltd.



Headquarters Address

19 Taipingqiao Street, Xicheng District, Beijing
20/F, Dacheng International, 358 Beijing South
Road, High-tech Zone, Urumqi, Xinjiang



Wholly-owned/Controlled Subsidiaries

Shenwan Hongyuan Securities, Hongyuan
Futures, Hongyuan Huizhi, Hongyuan Huifu,
Shenwan Hongyuan Industrial Investment,
Shenwan Hongyuan Investment

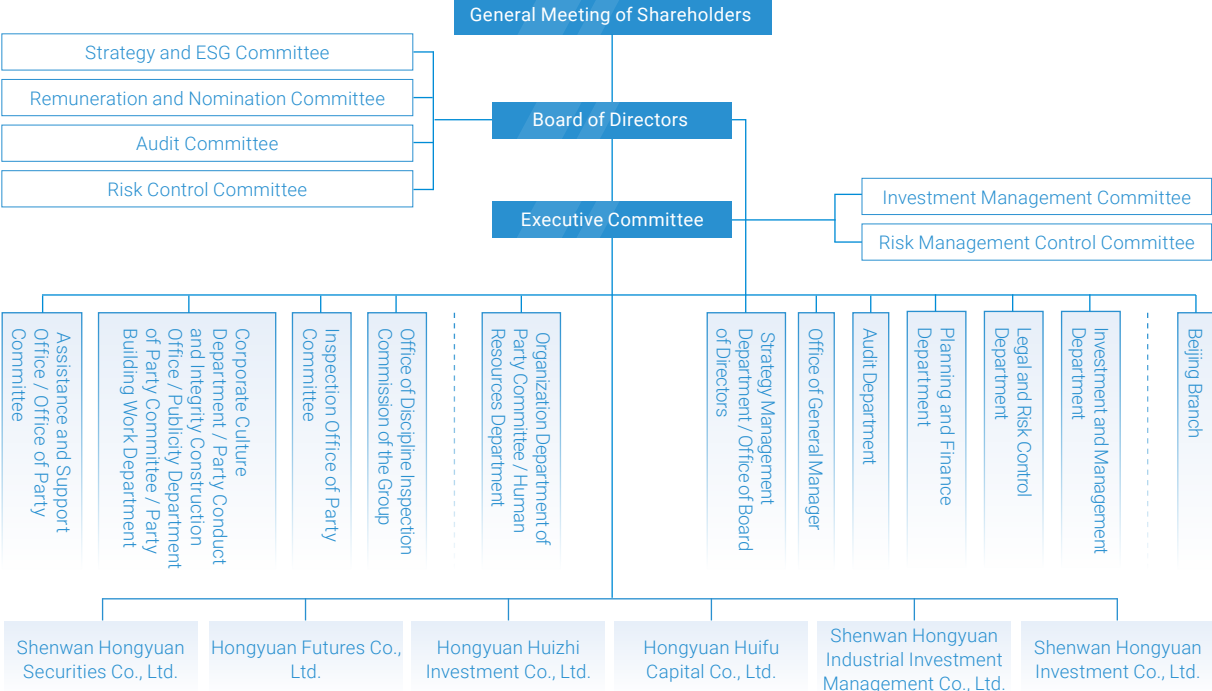


Stock Codes

000166.SZ; 6806.HK

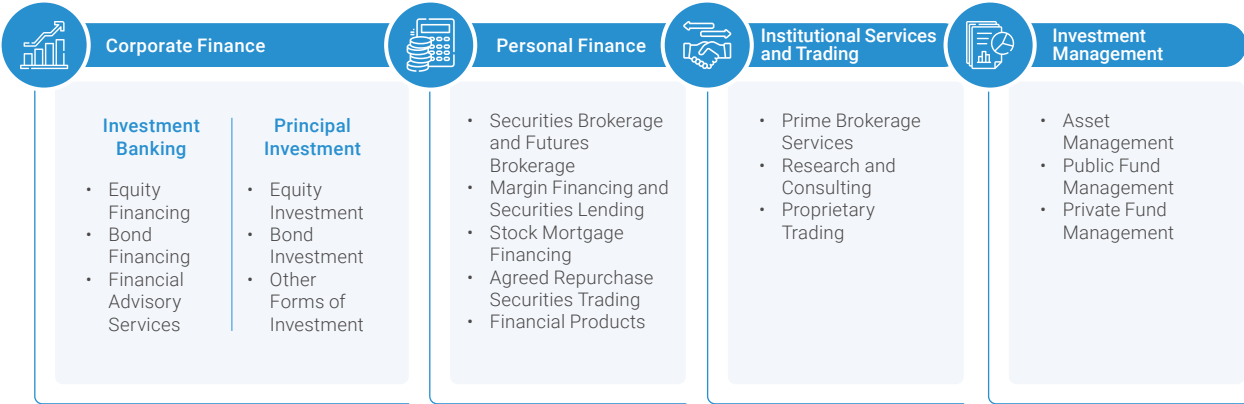


Company Organizational Structure



Business Modules of the Company

The Company made full use of the advantages of the two-tier structure of "Investment Holding Group + Securities Company" to continuously consolidate and enhance its position in the securities business, and strengthened the layout of the investment business to create a closed loop of comprehensive financial services, continuing to build a full industrial chain of investment and financial services based on the capital market, and providing customers with diversified financial products and services.



The Company's business outlets comprehensively cover all provinces, municipalities, and autonomous regions across China. It has subsidiaries in Hong Kong and Singapore, as well as overseas branch offices in London, Tokyo, Seoul, and other locations. The Company holds full business licenses in investment banking, wealth management, institutional services and trading, and investment management, and is committed to providing clients with full industry chain integrated financial services centered on the capital market.

Materiality Assessment

Double Materiality Analysis

In 2025, in accordance with the requirements of *Self-Regulatory Guidelines for Listed Companies of Shenzhen Stock Exchange No. 17 - Sustainability Report (Trial)* (hereinafter referred to as the "Guidelines of SZSE") and referencing the *SZSE Self-Regulatory Guide for Listed Companies No.3 — Sustainability Report Preparation*, the Company conducted a double materiality analysis for ESG topics, which combined stakeholder questionnaire surveys and expert evaluations to identify material topics.

Shenwan Hongyuan 2025 Double Materiality Analysis Process

Step 1

Understand the Company's Sustainable Development Background

- Analyze the external market environment, business activities and industry characteristics of the Company.
- Analyze the Company's strategic plan during the 14th Five-Year Plan period and the *Shenwan Hongyuan Action Plan for Sustainable Development and ESG Management Improvement*.
- Understand the value chain segments where each issues generates impact and the stakeholders primarily affected.

Step 2

Establish the Topic List and Identify Sustainable Development-related Impacts, Risks and Opportunities

- Informed by 2025 macro policy shifts and sectoral priorities, the Company conducted comprehensive benchmarking against evolving exchange mandates, including the *Guidelines of SZSE* and *ESG Code of HKEX*, alongside GRI Standards alignment, ESG rating focuses, and peer disclosure reviews. This multi-source intelligence, enriched by continuous stakeholder dialogue, yielded a curated list of 19 material sustainability/ESG topics.
- In collaboration with third-party organizations, conduct due diligence on the shortlisted sustainability/ESG topics via qualitative analysis to assess related actual and potential impacts, risks, and opportunities, ensuring timely identification of any sustainability/ESG-related adverse impacts or risks.

Step 3

Topic Double Materiality Assessment

- **Impact Materiality Assessment:** In 2025, the Company engaged internal and external experts as well as stakeholders to evaluate 19 sustainability/ESG topics based on "severity of impact" (encompassing scale, scope, and irremediability) and "likelihood of occurrence," thereby forming an impact materiality matrix.
- **Financial Materiality Assessment:** In 2025, the Company incorporated input from internal and external experts to refine and enhance the topic list based on the previous year's assessment results, identifying topics of financial materiality for 2025. The principal ESG officers from each department then conducted evaluation scoring across two dimensions "likelihood of impact occurrence" and "degree of financial impact" to collectively develop the Company's financial materiality matrix.
- **Double Materiality Result Aggregation:** After normalization calculation of the impact materiality and financial materiality matrices, a double materiality matrix was formed.

Step 4

Topic Reporting and Management

- After review and confirmation by the Company's Board of Directors and the Strategy and ESG Committee of the Board of Directors, the topics with higher materiality in 2025 are highlighted and disclosed in the report.

Due Diligence




The ESG Management Leadership Group conducted due diligence on the identified sustainability/ESG topics through qualitative analysis. The process evaluated the significant impacts of each sustainability/ESG topic on the economy, environment, and society in the short term (0–1 year, including 1 year), medium term (1–5 years, including 5 years), and long term (more than 5 years), as well as the risks and opportunities for the Company's day-to-day operations and business decisions, to identify and mitigate sustainability-related risks promptly. The detailed due diligence results are presented in the main body of the report under each topic.

Topics and Related Impacts, Risks, and Opportunities of Shenwan Hongyuan in 2025




Dimension	Topic	Main Impact Types	Key Risks and Opportunities
 Environmental	Responding to Climate Change	Potential Positive Impact	Policy and legal risks, market risks; market opportunities, product and service opportunities
	Green Operations	Potential Positive Impact	Reputational risks; resource efficiency opportunities
	Developing Green Finance	Actual Positive Impact	Policy change risks, market risks; market demand growth opportunities, revenue stability opportunities
	Devoting to Responsible Investment	Potential Positive Impact	Market risks, reputational risks; product and service opportunities
 Social	Contributing to Rural Revitalization	Actual Positive Impact	Reputational risks; market opportunities
	Social Contribution	Actual Positive Impact	Reputational risks; market opportunities
	Fintech Empowerment	Potential Positive Impact	Technological risks, compliance and AI ethics risks; product and service opportunities
	Responsible Procurement	Potential Positive Impact	Resilience opportunities
	Providing Quality Products and Services	Actual Positive Impact	Compliance risks; market and business opportunities
	Data Security and Customer Privacy Protection	Potential Negative Impact	Policy risks, technological risks
	Human Capital Development	Potential Positive Impact	Reputational risks, policy risks; market opportunities
	Serving National Strategy and Supporting the Real Economy	Actual Positive Impact	Policy and regulatory impacts; product and service opportunities
	Driving Reforms and Development of the Capital Market	Potential Positive Impact	Market opportunities, product and service opportunities
	Investor Rights and Interests Protection	Actual Positive Impact	Market opportunities
 Governance	Business Practice	Potential Negative Impact	Policy risks, reputational risks
	Corporate Governance	Potential Negative Impact	Policy risks, reputational risks
	Compliance and Internal Control	Potential Negative Impact	Policy risks, reputational risks
	Comprehensive Risk Management	Potential Negative Impact	Market risks, credit risks, liquidity risks, operational risks, policy risks, legal and compliance risks, innovative business risks, reputational risks, exchange rate risk
	ESG Risk Management	Potential Negative Impact	Market risks, credit risks, liquidity risks, operational risks, policy risks, legal and compliance risks, innovative business risks, reputational risks, exchange rate risk

Stakeholder Engagement

The perspectives of stakeholders constitute significant value for the Company's ESG endeavors, serving to elucidate strategic priorities in ESG management. In the course of the Company's daily operations and business activities, it continuously strengthens regular communication with stakeholders including shareholders and creditors, government and regulators, customers, employees, suppliers and partners, as well as community representatives and NGOs. Through real-time, periodic or ad-hoc communication channels and methods, the Company focuses on core topics of stakeholder concern and incorporates their demands into operational and decision-making processes, committing to achieving sustainable development together with stakeholders.

Key Stakeholders	Stakeholder Representatives	Key Topics	Engagement Methods/Channels
 <p>Shareholders and Creditors</p>	<ul style="list-style-type: none"> Major controlling shareholders Institutional and individual investors 	<ul style="list-style-type: none"> Corporate Governance Compliance and Internal Control Business Practice ESG Risk Management Comprehensive Risk Management 	<ul style="list-style-type: none"> Shareholders' Meetings Corporate Governance Mechanism Development Information Disclosure and Investor Communication Roadshows and Research Risk Management System Enhancement ESG Due Diligence for Clients Business Ethics Mechanism Development
 <p>Government and Regulators</p>	<ul style="list-style-type: none"> Local governments at all levels Shenzhen Stock Exchange, the Stock Exchange of Hong Kong Limited China Securities Regulatory Commission 	<ul style="list-style-type: none"> Serving National Strategy and Supporting the Real Economy Driving Reforms and Development of the Capital Market Compliance and Internal Control Business Practice Contributing to Rural Revitalization Social Contribution 	<ul style="list-style-type: none"> Information Disclosure Policy Interpretation and Implementation Participation in Government Research Activities
 <p>Customers</p>	<ul style="list-style-type: none"> Institutional clients and individual clients for diversified financial products 	<ul style="list-style-type: none"> Serving National Strategy and Supporting the Real Economy Providing Quality Products and Services Data Security and Customer Privacy Protection Fintech Empowerment Devoting to Responsible Investment Investor Rights and Interests Protection 	<ul style="list-style-type: none"> Recruitment Mechanisms Training Programs Compensation and Benefits Systems Employee Representative Congress Cultural Activities

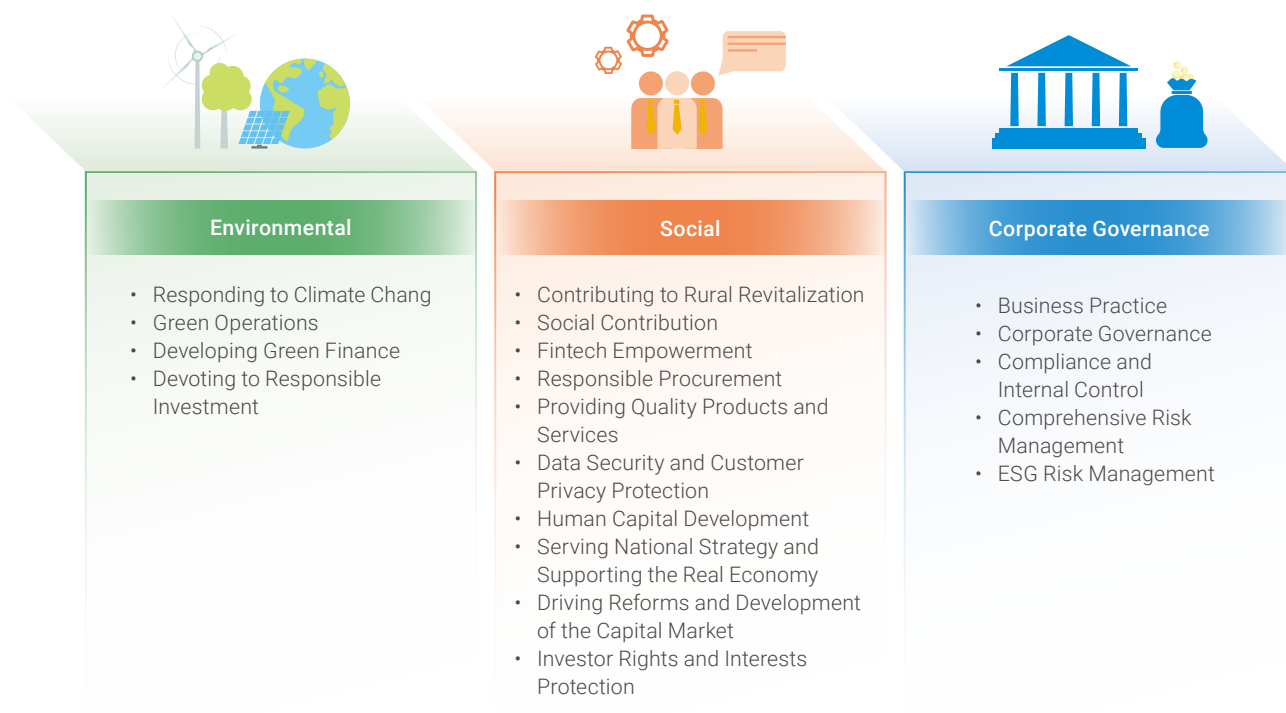


Key Stakeholders	Stakeholder Representatives	Key Topics	Engagement Methods/Channels
 Employees	<ul style="list-style-type: none"> • Employees, labor union 	<ul style="list-style-type: none"> • Human Capital Development 	<ul style="list-style-type: none"> • Recruitment Mechanisms • Training Programs • Compensation and Benefits Systems • Employee Representative Congress • Cultural Activities
 Suppliers and Partners	<ul style="list-style-type: none"> • Suppliers of goods, engineering, and services 	<ul style="list-style-type: none"> • Compliance and Internal Control • Business Practice • Responsible Procurement 	<ul style="list-style-type: none"> • Regular Communication • Industry Collaboration • Bidding Activities • Anti-Commercial Bribery Mechanisms
 Community Representatives and NGOs	<ul style="list-style-type: none"> • Streets and communities where operations are located • Media • Partner universities • Industry associations • Social organizations • Foundations and other charitable organizations cooperating in public welfare projects 	<ul style="list-style-type: none"> • Driving Reforms and Development of the Capital Market • Devoting to Responsible Investment • Developing Green Finance • Responding to Climate Change • Green Operations • Social Contribution • Contributing to Rural Revitalization 	<ul style="list-style-type: none"> • Participation in Government and Industry Research • Rural Revitalization Projects • Green and Low-Carbon Operations • Innovative Green Finance Products • Community Volunteering Activities

Materiality Analysis Conclusions

In 2025, the Company identified 19 sustainability topics through standard benchmarking, policy analysis, and peer comparison to form a topic list, including 4 under environmental dimension, 10 under social dimension, and 5 under corporate governance dimension. Details and changes are shown in the table below.

Shenwan Hongyuan 2025 Sustainability/ESG Topic List

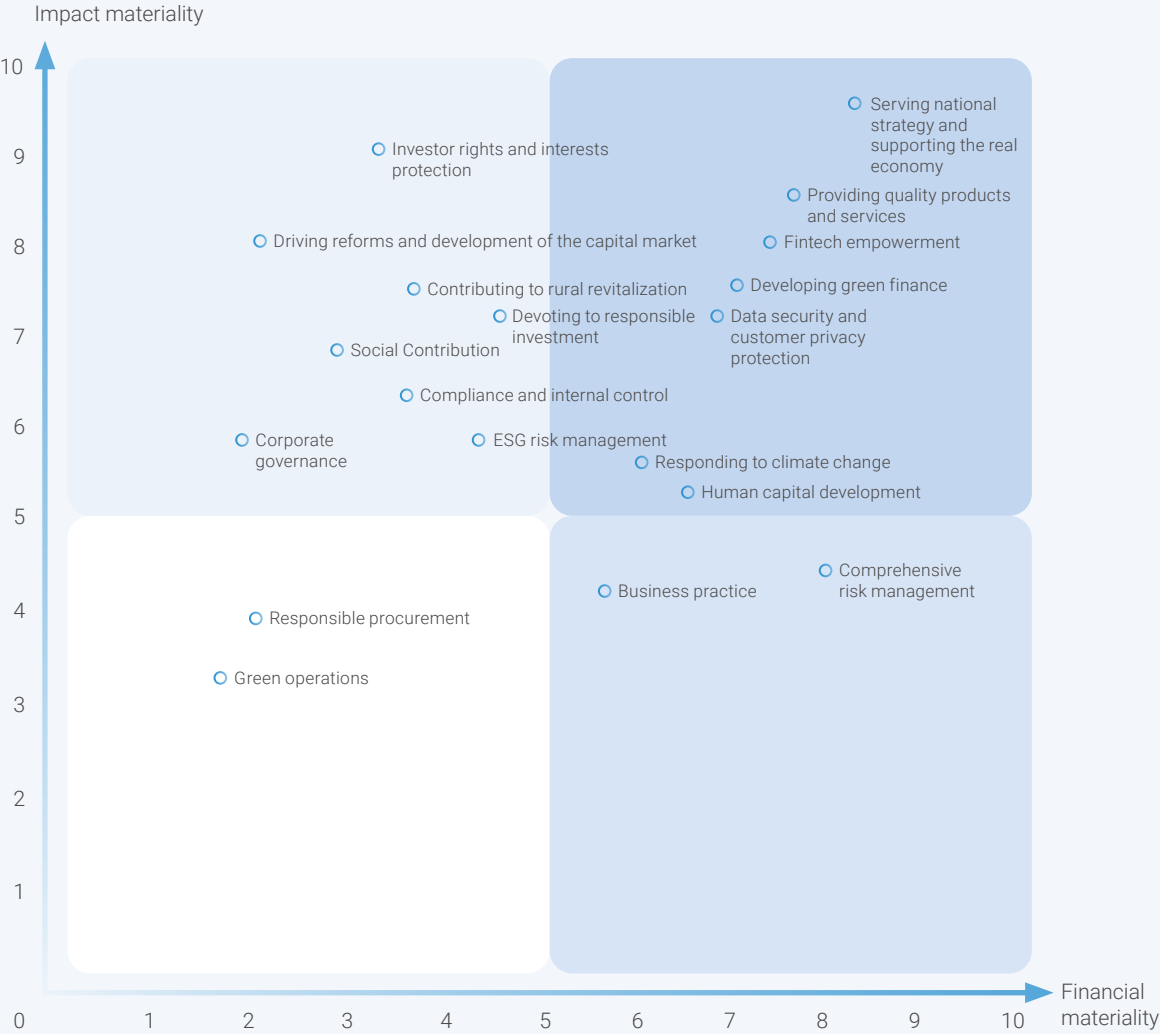


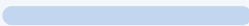
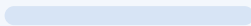
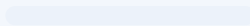
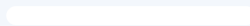
Major Changes in Sustainability/ESG Topics of Shenwan Hongyuan in 2025

2024 Topics	2025 Topics	Changes	Reason for Change
Talent Attraction and Retention	Human Capital Development	Topic Merging	Combined "Talent Attraction and Retention", "Enhancing Employee Care and Benefits" and "Staff Training and Development" based on the Company's characteristics and topic management status, to improve the systematicity and consistency of management and reporting.
Enhancing Employee Care and Benefits			
Staff Training and Development			
Promoting Green Operations	Green Operations	Wording Adjustment	Streamlined topic names to enhance the professionalism of the report.
Enhancing Corporate Governance	Corporate Governance		
Compliance and Internal Control Management	Compliance and Internal Control		
Investor Education	Investor Rights and Interests Protection	Renaming & Wording Adjustment	In alignment with the Company's existing topic management framework, the original topic "Investor Education" has been redefined as "Investor Rights and Interests Protection," thereby ensuring more comprehensive coverage of responsible marketing practices, appropriateness management, investor education and associated matters.

Based on the assessment and analysis, among the 19 sustainability/ESG topics, 7 are deemed to both financial materiality and impact materiality, 2 have financial materiality only, 8 have impact materiality only, and 2 lack both financial and impact materiality.

2025 Material Topics Matrix of Shenwan Hongyuan



- 
 Both financial materiality and impact materiality
- 
 Financial materiality but no impact materiality
- 
 Impact materiality but no financial materiality
- 
 Neither financial nor impact materiality

Material Topics Management

Shenwan Hongyuan has continuously strengthened the management effectiveness and quality of its sustainability /ESG material topics, formulated processes for the identification, assessment, and management of sustainability /ESG-related impacts, risks, and opportunities, and integrated these processes into its comprehensive risk management system. The ESG Management Leading Group regularly collaborates with internal and external experts to conduct identification and assessment of relevant impacts, risks, and opportunities based on the sustainability /ESG material topics through external policy analysis, industry trend research, business insights, and due diligence. Management priorities are established by considering the likelihood, magnitude, and pathways of these impacts, risks, and opportunities. The ESG Management Leadership Group develops relevant management mechanisms based on topic management and practical work, dynamically monitors management status, and promptly provides feedback on management results, thereby achieving closed-loop management.

For topics having financial materiality, the Company has established a closed-loop management framework centered on "governance – strategy – impacts, risks, and opportunities management – metrics and targets". During the management process, it fully leverages internal risk management and internal control mechanisms to precisely control potential risks and actively seize development opportunities. For topics having impact materiality, the Company proactively adopts effective measures to control or mitigate their significant negative impacts on the economy, society, and the environment.

In terms of information disclosure, for the 7 topics having both financial materiality and impact materiality, detailed and comprehensive disclosures of the Company's management and practices are presented under subheadings of the "Four Key Aspects," with specific content available in the "Sustainability Practices and Impacts" section. For the 2 topics having financial materiality only, the Company's management status and outcomes are concisely summarized in tables following the "Four Key Aspects" format, with details provided in the "ESG Management and Performance" section.

Definitions of the "Four Key Aspects"

Governance

This refers to the governance structure and internal protocols that the Company uses to manage and oversee sustainability-related impacts, risks, and opportunities.

Strategy

This refers to the plans, strategies, and methods the Company uses to address sustainability-related impacts, risks, and opportunities.

Impacts, Risks, and Opportunities Management

This refers to the measures and processes the Company implements to identify, assess, monitor, and manage sustainability-related impacts, risks, and opportunities.

Metrics and Targets

These are the metrics and targets the Company uses to measure, manage, oversee, and evaluate its response to sustainability-related impacts, risks, and opportunities.

ESG Governance and Strategy

ESG Governance Structure

The Company has a three-level ESG management structure in place, consisting of the Board of Directors, the Strategy and ESG Committee of the Board of Directors, and the ESG Management Leadership Group, which operate efficiently top down from supervision to management to execution, promoting the achievement of ESG management goals with practical actions.

ESG Governance Structure of Shenwan Hongyuan

Board of Directors	Act as the highest decision-making body for the Company's ESG management to perform ESG governance functions according to regulations, continuously improve the governance structure, and promote the Company's continuous enhancement of ESG governance capabilities and levels.
Strategy and ESG Committee of the Board of Directors	Provide ESG strategy consulting advice to the Board of Directors, oversee and evaluate the Company's implementation of ESG strategy and progress toward goals, supervise the Company's enhanced communication with investors, regulators, and other stakeholders, and provide consulting advice for the continuous improvement of the Company's ESG management.
ESG Management Leadership Group	Overall plan and implement the Company's ESG-related work, lead the Company's various departments and subsidiaries to implement its ESG development strategy, guide corporate governance with ESG concepts, and enhance the Company's sustainability capabilities.

In 2025, the Company prepared and released the *Shenwan Hongyuan Group Co., Ltd. 2024 Sustainability/Environmental, Social and Governance Report*, promoting ESG management improvement through high-quality information disclosure. The report was reviewed and approved by the Strategy and ESG Committee of the Board of Directors and the Board of Directors respectively, and was disclosed to the public in accordance with regulations on March 29, 2025.

Action Plan for Sustainability/ESG Management Enhancement

To implement the spirit of the 20th National Congress of the CPC, the plenary sessions of the 20th CPC Central Committee, the Central Financial Work Conference, and the Central Economic Work Conference, to conscientiously implement the requirements of China Investment Corporation regarding strengthening the role of directly managed enterprises in serving national strategies and other related directives, and to actively respond to regulatory requirements on sustainability disclosure, the Company developed the *Shenwan Hongyuan Action Plan for Sustainability and ESG Management Enhancement* ("Action Plan") to effectively enhance the Company's sustainability management.

Based on thorough research on the sustainability/ESG development policy requirements and industry trends, the *Action Plan* strives to deeply integrate sustainability/ESG concepts with serving national strategies, supporting rural revitalization, conducting comprehensive risk management, and improving corporate governance. The *Action Plan* clearly sets out the Company's ideas for sustainability/ESG work and the implementation paths and development goals of its business lines, elevating its sustainability/ESG management capabilities to a new level.

Aligned with Shenwan Hongyuan's core values of "faith, responsibility, integrity, innovation, and pursuit of excellence," mission and vision of "providing professional services, creating value, and becoming a first-class investment bank and investment institution worthy of long-term trust," and "professional, talent, team, responsibility, customer, risk, innovation, and value consensus," the *Action Plan* proposes the overall framework of "one vision, three pillars, one cornerstone" for Shenwan Hongyuan's sustainability/ESG management enhancement. The *Action Plan* makes "serving national strategies and supporting the real economy," "providing high-quality financial services," and "empowering green and low-carbon development" the three pillars and "achieving sustainable operations" the cornerstone to support the Company's practice of its mission of "providing professional services and creating value" and realization of its vision of "becoming a first-class investment bank and investment institution worthy of long-term trust," thereby meeting the expectations of the country, society, customers, shareholders, employees, and other stakeholders.

Framework of Shenwan Hongyuan Action Plan for Sustainability/ESG Management Enhancement

Becoming a First-Class Investment Bank and Investment Institution Worthy of Long-Term Trust

Adhere to a long-term approach, practice the concept of sustainable development, achieve own sustainable growth by leveraging professional service capabilities, excellent service attitudes, and outstanding social benefits, and become a responsible enterprise worthy of long-term trust from shareholders, customers, and employees.

Serving National Strategies and Supporting the Real Economy

Uphold the original aspiration and mission of "Finance serves the country and the people", adhere to the general principle of seeking progress while maintaining stability, fulfill the responsibility of being the "gatekeeper" of the capital market, actively serve major national strategies, support the country's comprehensive deepening of reform and the construction of a modern economic system, and serve the high-quality development of the real economy.

- Developing Technology Finance
- Developing Inclusive Finance
- Supporting Pension Finance
- Serving High-Level Opening-Up
- Supporting Coordinated Regional Development
- Contributing to Rural Revitalization

Providing High-Quality Financial Services

By promoting the reform and development of the capital market, continuously providing high-quality financial products and services, applying financial technology innovation, and carrying out investor education activities, the Company supports the construction of the country's diversified equity financing and multi-level bond market, and promotes the healthy and stable development of the capital market.

- Providing High-Quality Financial Products and Services
- Promoting the Reform and Development of the Capital Market
- Preventing and Resolving Financial Risks
- Implementing Digital Finance
- Strengthening Investor Protection

Empowering Green and Low-Carbon Development

Focusing on the construction of Beautiful China, the Company deepens the effective integration of "dual carbon" practices and businesses, promotes the establishment of green finance development plans and responsible investment practices, and uses professional financial services to advance eco-friendly, economical, green and low-carbon development, supporting the country's ecological civilization reform.

- Developing Green Finance
- Practicing Responsible Investment
- Addressing Climate Change

Building Sustainable Corporate Operations

By strengthening the independence and diversification of the Board of Directors, enhancing the Board's ESG (including climate change) expertise, implementing investor rights protection, improving anti-corruption and integrity practice management, attracting and retaining outstanding talents, implementing data security and privacy protection management, actively conducting community communication and support, and strengthening green operation construction, the Company lays a solid foundation for the stable and sustainable operation of the enterprise.

E

- Promoting Green Operations

S

- Talent Attraction and Retention
- Strengthening Data Security and Privacy Protection
- Community Communication and Support

G

- Strengthening Corporate Governance
- Investor Rights and Interests Protection
- Business Ethics

ESG Management Achievement Sharing



During the 2025 Financial Street Forum Annual Meeting, Mr. Huang Hao, the General Manager of the Group Company, was invited to attend the forum themed "Technology-Driven ESG Upgrading: Responsible Innovation and Value Reconstruction in the Financial Sector" and delivered a keynote speech. Centering on the core themes of "Responsibility, Innovation, and Value", he elaborated on the practical pathways for the integrated development of technology and ESG, systematically shared the Company's exploration achievements in the field of sustainable development and ESG, and demonstrated the Company's practical commitment to actively participating in industry exchanges and promoting responsible innovation and value creation.





Sustainability

Practices and Impacts

Building China into a Financial Power, Serving National Strategies

Customer First, Optimising Financial Services

Forging Ahead Towards Innovation, Boosting Green Development

Bringing Strength Together, Strengthening Talent Development



Building China into a Financial Power, Serving National Strategies

In 2025, the China Securities Regulatory Commission (CSRC) issued the *Implementation Guidelines on Advancing the "Five Key Areas of Finance"*, making systematic arrangements and setting out clear requirements for advancing the "Five Key Areas of Finance" in the capital market; the Securities Association Of China (SAC) issued the *Measures for the Special Evaluation of Securities Companies on the "Five Key Areas of Finance" (Trial)*, aiming to promote the industry's functional role and consolidate securities companies' primary responsibility for advancing the "Five Key Areas of Finance".

In 2025, the Company accurately grasped the direction of macro policies, focused on its core responsibilities and core business, and developed distinctive products and service models, diligently advancing the "Five Key Areas" of technology finance, green finance, inclusive finance, pension finance, and digital finance, effectively supporting the deepening reform of the capital market and further improving the quality and effectiveness of serving national strategies. Meanwhile, the Company has made every effort to advance assistance initiatives, actively contributed to rural development, and provided high-quality financial services to promote rural revitalization.

Key Topics in this Chapter

Serving National Strategy and Supporting the Real Economy, Driving Reforms and Development of the Capital Market, Contributing to Rural Revitalization



Governance

To fully leverage its advantages in providing comprehensive financial services and to systematically plan the direction and key tasks for serving national strategies, the Company has established a three-level management structure consisting of the Promotion Committee of "Serving National Strategies", the Working Group of "Serving National Strategies" and the Special Working Group of "Serving National Strategies" for enhancement of the quality and effectiveness of its efforts in serving national strategies. In 2025, the Company comprehensively strengthened top-level design and unified leadership for efforts to serve national strategies. Focusing on the "Five Key Areas of Finance" and support for the Belt and Road Initiative, the Company further optimised the set-up of the special working groups for serving national strategies, strengthened the functional positioning of each special working group, consolidated and leveraged the business strengths of lead units in relevant fields, and pooled the Company's collective force in serving national strategies.

Management Structure of Shenwan Hongyuan for "Serving National Strategy and Supporting the Real Economy"



Promotion Committee of "Serving National Strategies"

- Overall plan and advance the work of serving national strategies and the implementation of strategic planning and annual business plans, with the Company's Party Committee secretary as the chairperson and Party Committee members as vice chairpersons.



Working Group of "Serving National Strategies"

- Establish the Working Group of "Serving National Strategies" of Group Company and Securities Company, respectively, with the General Manager of the Group Company and the General Manager of the Securities Company serving as the leader and senior executives designated by the Party Committee as deputy leaders.
- Establish lead units/special work teams for the Working Group, responsible for timely formulating annual plans, evaluation rules, and a series of special action plans for serving national strategies, to promote the integration of serving national strategies with the Company's strategy and business plans.



Special Working Group of "Serving National Strategies"

- Set up 6 special working groups, including the "Service Group for Technological Innovation, Service Group for Green Finance, Working Group for Inclusive Finance, Working Group for Guarantees of People's Livelihood, Working Group for Digital Finance, and Service Group for Coordinated Regional Development and High-Standard Opening-Up" and establish a multi-party coordination mechanism.

The Company improves the closed-loop management of serving national strategies, refines and optimises the closed-loop management mechanism of "learning - arrangements - implementation - review", defines key measures and quantified targets for each unit, and consolidates and implements the responsibility chain. The Company formulates annual work plans and evaluation implementation rules of serving national strategies, incorporates serving national strategies into annual performance assessment indicators, and establishes indicator monitoring and performance supervision mechanisms. The Board of Directors Office/Strategy Management Department of the Group Company and the Administrative Office of Securities Company regularly formulate annual summary reports on serving national strategies and report to the Strategy and ESG Committee of the Board of Directors of the Company.

Strategy

The Company adheres to its functional positioning, fully integrates the business development with serving national strategies, actively serves the "Five Key Areas" of technology finance, green finance, inclusive finance, pension finance, and digital finance, and provides high-quality financial services to real economy.

In 2025, the Company analysed and concluded that "Serving National Strategy and Supporting the Real Economy" had both financial materiality and impact materiality, and identified that the risks and opportunities with a relatively significant impact on the Company's business were policy and regulatory impacts and product and service opportunities. The Company analysed the time horizon and financial impacts of the relevant risks and opportunities, and clarified its management strategies and measures, continuously consolidating and enhancing its comprehensive financial services capabilities, and comprehensively improving the quality and effectiveness of serving national strategies.

Analysis of Risks and Opportunities of Shenwan Hongyuan in "Serving National Strategy and Supporting the Real Economy"

Main Risks and Opportunities	Specific Analysis	Scope of Impact	Financial Impact Analysis
Policy and regulatory impacts	<ul style="list-style-type: none"> Global uncertainty has increased. Factors such as shifts in national macroeconomic policies, interest rate adjustments, frequent geopolitical conflicts, and uneven economic performance across major economies have collectively heightened the unpredictability of financial markets, exerting a direct and significant impact on the operations and business development of securities companies. With the acceleration of comprehensive deepening of capital market reforms, the CSRC and stock exchanges are revising supporting rules in areas including public offering supervision, continuous supervision of listed companies, delisting supervision, securities companies regulation, transaction regulation, mergers and acquisitions, and information disclosure, and the implementation of the "1+N" policy framework for the capital market is being expedited, placing new requirements on securities companies to improve professional service capabilities and risk management capabilities. 	Short, medium, and long term	<ul style="list-style-type: none"> Increase in operating costs Fluctuate in operating income
Product and service opportunities	<ul style="list-style-type: none"> Benefiting from the major opportunities brought by China's fast-growing multi-level capital market, China's securities industry has achieved substantial development. During the 15th Five-Year development stage, China's capital market will continue to enhance the inclusiveness and adaptability of its systems. Under the positioning of "better exerting the hub function of the capital market," the securities industry will focus more on its core mission, dedicating itself to serving the real economy, serving residents' wealth management, serving the building of China's financial strength, and serving high-standard opening-up. The Company's deep promotion of business development, transformation, and reform and creation of closed-loop comprehensive financial services will help it obtain business opportunities. The building of China's financial strength has driven the need to foster world-class investment banks. Documents including the new "National Nine Articles" explicitly require securities companies to "properly handle the relationship between functionality and profitability" and "build first-class modern investment banks and investment institutions." Securities companies that balance functionality and profitability in their business development and put functionality in the first place can better serve as a "service provider" for direct financing, a "gatekeeper" for the capital market, and a "manager" of social wealth. The technological revolution has empowered industry development. China has increasingly strengthened its strategic support for emerging and future industries. For securities companies, actively focusing on the financial needs of emerging enterprises will enable them to secure more project opportunities in areas such as new energy, new materials, and technological innovation. China's capital market has deepened its opening-up. With the coordinated development of the Chinese mainland and Hong Kong markets and the continuous expansion of mutual market access, the Company enhances its cross-border business layout and improves cross-border comprehensive financial services capabilities, which is conducive to seizing more project opportunities. 	Short, medium, and long term	<ul style="list-style-type: none"> Increase in operating income

The Company maintains a balance between functionality and profitability, proactively sets the goal of "becoming a first-class investment bank and investment institution worthy of long-term trust," and deeply promotes business management, reform, and transformation. The Company integrates serving national strategies into its development strategy. To this end, the Company has formulated the *Action Plan for Implementing the Spirit of the Central Financial Work Conference, Exerting the Hub Function of the Capital Market, and Enhancing the Quality and Effectiveness of Serving National Strategies* and has studied and formulated the *2025 Work Plan for Serving National Strategies* and the *Notice on Further Enhancing the Company's Quality and Effectiveness of Serving National Strategies and Optimising and Improving the Set-Up of Working Groups* to make overall planning. The Company has systematically planned the key directions and priority tasks for strengthening services for national strategies, effectively implemented the "Five Key Areas of Finance" in a detailed and substantive manner, and actively promoted coordinated regional development, provided services for high-standard opening-up, and improved the quality and standard of services to the real economy.

Impacts, Risks, and Opportunities Management

The Company has fully implemented the guiding principles of the 20th National Congress of the CPC, the plenary sessions of the 20th CPC Central Committee, the Central Economic Work Conference, and the Central Financial Work Conference. In alignment with the requirements set out by the Party Central Committee and the State on serving national strategies, the Company identifies and analyses the risks and opportunities associated with serving national strategies and supporting the real economy, firmly adheres to the general principle of pursuing progress while ensuring stability, prioritises functionality, and proactively adjusts business layout. The Company formulates a work plan for serving national strategies and convenes a mobilisation meeting each year, clarifying the key tasks for the year and breaking down assignments to guide each business line to deepen its efforts in key regions and industries.

The Company remains committed to serving the real economy through financial services as its fundamental mission. The Company continues to deepen the comprehensive financial services system of "research + investment + investment banking", establishes a systematic business management system, and, through processes including pre-project research, project initiation, project quality management, project progress monitoring, and supervision and guidance management, ensures the steady advancement of various initiatives to serve the real economy, while continuously improving a comprehensive services financial system aligned with the development of new quality productive forces.

For specific measures of the Company to serve national strategies and support the real economy in 2025, please refer to the sections "Serving the Five Key Areas of Finance" and "Serving Key Regions Development."

Metrics and Targets

The Company actively serves national strategies and has set qualitative management targets for aspects of "Five Key Areas of Finance," "supporting the accelerated building of China's financial strength and the high-quality development of the real economy," "fully improving comprehensive financial service capabilities and service accuracy in key areas," and "strengthening the security foundation for serving national strategies" and set quantitative targets for key metrics. The Company has studied and formulated the *Sustainability/ESG Metrics Management Manual*, with metrics monitored on a regular basis. Through these efforts, the Company strives to comprehensively enhance the quality and effectiveness of serving national strategies and supporting the real economy.

In 2025, the Company summarised and evaluated the completion of relevant metrics in all business lines, and prepared the *2025 Work Summary of Shenwan Hongyuan for Serving National Strategies*. The Company has effectively completed all work objectives and tasks.



Shenwan Hongyuan's Metrics and Targets (Partial) for "Serving National Strategy and Supporting the Real Economy"

Dimension	2025 Targets	Key Metrics	Completion Status
Advancing the "Five Key Areas of Finance"	<ul style="list-style-type: none"> Facilitate the virtuous cycle of "technology-industry-finance" and provide precise and effective financial support for building a modernized industrial system 	<ul style="list-style-type: none"> Number of companies listed on the STAR Market served Number and scale of "sci-tech innovation bonds" issued Number and scale of sci-tech innovation enterprises directly/indirectly invested in Balance of investment in supporting technology finance at year-end 	Completed
	<ul style="list-style-type: none"> Actively participate in green bond issuance and equity financing in the green finance sector, and continuously provide high-quality financial support for green, low-carbon and circular economy development 	<ul style="list-style-type: none"> Balance of investment in supporting green finance at year-end 	
	<ul style="list-style-type: none"> Continuously improve the inclusive financial services system, and strengthen financial services for small and medium-sized enterprises (SMEs) and private enterprises 	<ul style="list-style-type: none"> Scale and number of small and medium-sized enterprise bonds issued and underwritten Balance of investment in supporting inclusive finance at year-end 	
	<ul style="list-style-type: none"> Actively develop pension financial services and enrich the offering of high-quality pension products 	<ul style="list-style-type: none"> Number and scale of personal pension financial products issued Balance of investment in supporting pension finance at year-end 	
	<ul style="list-style-type: none"> Deeply cultivate key areas including business-technology integration, technology enablement and digital transformation, and promote orderly data sharing and in-depth application 	<ul style="list-style-type: none"> Balance of investment in supporting digital finance at year-end 	
Serving key regions development	<ul style="list-style-type: none"> Comprehensively strengthen layout and resource allocation in key regions, and establish and improve regional coordinated service mechanisms 	<ul style="list-style-type: none"> Number of comprehensive financial service projects of "investment + investment banking + research" carried out in key strategic regions Number of relevant bonds issued to support major regional development strategies Number and scale of bonds issued and underwritten relating to the Belt and Road; number and scale of cross-border financing and cross-border M&A projects Number and scale of investment in the Belt and Road projects 	

Performance highlights of the Company in "Technology Finance" in 2025:

- The underwriting amount of stocks and bonds in the technology finance sector was RMB**73.6** billion by the end of 2025. The scale of equity financing services provided to technology enterprises exceeded RMB **6** billion; over **170** science and innovation bonds were issued with a total scale exceeding RMB **52** billion, representing year-on-year growth of more than **150%** in both cases.

Performance highlights of the Company in "Inclusive Finance" in 2025:

- Since the opening of the Beijing Stock Exchange, Shenwan Hongyuan has completed a total of **23** issuance and listing projects of Beijing Stock Exchange, and raised over RMB**4.461** billion.
- In terms of New Third Board, Shenwan Hongyuan completed **9** targeted placements throughout the year; completed **20** NEEQ listings.

Serving the "Five Key Areas of Finance"

Technology Finance

In line with the requirements for the development of technology finance, the Company facilitates the virtuous cycle of "technology-industry-finance", guiding more funds towards advanced manufacturing, strategic emerging industries, and future industries, and providing targeted and effective financial support for the development of a modern industrial system.

Key Practice of Shenwan Hongyuan in Technology Finance in 2025

Providing financing services

- The Company provided financing support for technological innovation and strategic emerging industries through financial services, such as equity financing, debt financing and financial advisory.
- In 2025, the Company supported enterprises with key core technologies in entering the capital market, including assisting Huitong Technology, Hongjing Optoelectronic and HyperStrong in successfully listing on the ChiNext Board and the STAR Market, serving Anji Technology in completing the issuance of convertible bonds on the STAR Market, supporting Tiangong Technology, a leading enterprise in the high-end titanium materials sector, in listing on the Beijing Stock Exchange, and completing the large-scale restructuring and related financing of TCL Technology.
- In 2025, the Company assisted enterprises such as ICBC in successfully issuing technology innovation bonds and carried out the first batch of Shanghai Stock Exchange technology innovation bond lending transactions with Industrial Bank.

Strengthening investment support

- By direct equity and debt investments, establishing industrial investment funds, and launching themed financial products, the Company guided long-term domestic and foreign capital into the field of technological innovation.
- In 2025, the Company initiated and established a contractual private equity investment fund for the robotics industry and completed an investment in MagForce Robotics (Sichuan) Technology Co., Ltd.; the Jiangxi Xinggan Sci-tech Innovation Mother Fund, for which the Company acts as manager, initiated and established a sub-fund focusing on the humanoid robotics industry chain and new lithium battery materials, namely, Ganzhou Development Investment Fuhai Equity Investment Partnership (Limited Partnership), with a scale of RMB1 billion; through its own funds and private equity funds, the Company completed new investments in a number of early- to mid-stage projects such as Imvision Technology, Laser Starcom, and Wuba Intelligent Tech, and made follow-on investments in Infinigence AI.

Building an industrial ecosystem

- Focusing on AI, semiconductors and other "bottleneck" areas, the Company expanded into emerging tracks such as new materials and biopharmaceuticals, stepped up efforts in frontier directions such as robotics and intelligent connected vehicles, produced research reports, and strengthened communication and cooperation among enterprises.
- In 2025, the *STAR Market White Paper 2025*, compiled and edited by SWS Research in collaboration with the Shanghai Bureau and the Financial Programmes Centre of China Media Group, was released for the sixth consecutive year, providing investors with a "hard technology" investment guide. It also officially released the *White Paper of Shenwan Hongyuan for Artificial Intelligence Industry*.
- In 2025, with a focus on AI industry services, the Company established the "Xuhui District AI Fintech Ecosystem Alliance" together with SenseTime, MetaX, Caiyue Xingchen and Infinigence AI, among others, to build an ecosystem. The Company signed strategic cooperation agreements with a number of leading technology enterprises, including Kuang-Chi Technologies, XtalPi, InnoGrit, MetaX and Haizhi Technology. The Company hosted the AI Industry Development Conference, building a communication platform between the AI industry and investment institutions, and a platform to promote cooperation between leading AI enterprises and traditional industries.

Initiated the Establishment of the First Sci-tech Innovation Fund of Xinjiang



In September 2025, Hongyuan Huifu initiated the establishment of Xinjiang Shenhong Huichuang Phase I Innovation Industry Investment Fund Partnership (Limited Partnership) (referred to as the "Sci-tech Innovation Fund"), the first sci-tech innovation fund of Xinjiang.

The Sci-tech Innovation Fund focuses on investment in the areas of scientific and technological self-reliance and green development, with a focus on enterprises in industries related to advanced manufacturing, transport and logistics, fintech and information technology, new energy and environmental protection, and big health. It primarily targets early-stage and growth-stage projects, while also taking into account mature-stage and Pre-IPO enterprises, with the aim of accelerating the incubation and cultivation of a number of high-tech and strategic emerging industry companies.

Assisted ICBC in Issuing Technology Innovation Bonds (Bond Connect)



In May 2025, Shenwan Hongyuan Securities served as the lead underwriter and successfully assisted in the issuance of "ICBC 2025 First Technology Innovation Bond (Bond Connect)". The current bond had a scale of RMB20 billion, making it among the first batch of financial technology innovation bonds in the market. The successful issuance of this bond helps enhance the issuer's financial service capabilities in the field of sci-tech innovation, and promotes high-quality development by empowering sci-tech innovation enterprises.

Successfully Sponsored Zerun's Listing on the ChiNext Board on the Shenzhen Stock Exchange



In May 2025, Shenwan Hongyuan Financing Services successfully sponsored Zerun Co., Ltd. (referred to as "Zerun") for listing on the ChiNext Board on the Shenzhen Stock Exchange. As a national specialized, refined, differential and innovative "little giant" enterprises, Zerun focuses on junction boxes for photovoltaic modules. This successful listing provided critical capital support for the enterprise to break through capacity bottlenecks.

Assisted TCL Technology in Issuing Shares and Paying Cash to Acquire Assets and Raise Supporting Funds



In August 2025, Shenwan Hongyuan Financing Services, as the independent financial adviser and lead underwriter, assisted TCL Technology Group Corporation (referred to as "TCL Technology") in completing a major asset restructuring project of RMB11.56 billion and supporting financing of RMB4.36 billion, assisting the enterprise further integrate its core semiconductor display assets.

Assisted Hainan Province in Issuing Offshore RMB Bonds in Hong Kong



In September 2025, SWHYHK successfully supported Hainan Province in issuing RMB5 billion of offshore RMB bonds in Hong Kong. This issuance comprised RMB2.5 billion of three-year sustainable development bonds, RMB1.5 billion of five-year blue bonds, and RMB1 billion of ten-year aerospace-themed bonds. The funds were precisely allocated to marine conservation, social welfare protection, and aerospace technology R&D and infrastructure development, continuously promoting the building of a sustainable development ecosystem for the Hainan Free Trade Port.




Green Finance

The Company continues to provide high-level financial support for green, low-carbon and circular economy through green investment and financing, carbon finance, and green research. The specific measures of the Company for green finance in 2025 are detailed in the section "Developing Green Finance."

Inclusive Finance

The Company adheres to a business strategy characterised by Beijing Stock Exchange operations, expands the breadth and depth of inclusive financial services, and continuously improves its inclusive financial services system. The Company proactively develops products and services aligned with the characteristics and development needs of small and micro enterprises (SMEs) and private enterprises, and strengthens financial services for relevant entities.

Key Practice of Shenwan Hongyuan in Inclusive Finance in 2025

 <p>Unblocking financing channels</p>	<ul style="list-style-type: none"> • Serving SMEs through the New Third Board and the Beijing Stock Exchange, the Company provided equity financing services for SMEs, actively underwrote various SME bonds, accelerated the assistance to eligible SMEs, and broadened their financing channels. • In 2025, the Company successfully assisted 29 innovative SMEs, including ShenLanHua and Yingfan Technology, to complete listing or private placement on the New Third Board, and promoted multiple enterprises to list on the Beijing Stock Exchange.
 <p>Strengthening inclusive investment</p>	<ul style="list-style-type: none"> • By conducting equity and thematic investments, and participating in REIT-related projects, the Company expanded the breadth and depth of inclusive financial services and strengthened its services to private enterprises, SMEs as well as the enterprises in the livelihood security field. • In 2025, the Company completed investments in the Shanghai Construction's Affordable Rental Housing Pre-REIT Project, the China Universal Shanghai Property Affordable Rental Housing REIT Project, the Lionbridge Financing Leasing Pre-ABS Phase II Project, the Chengdu Xingcheng Urban Renewal Project, and the Xiangyu Group Supplier Accounts Receivable Financing Project. • In 2025, the Company successfully issued the JD Technology-Shangyi No. 2 Phase I SME Financing ABS and the Shenwan Hongyuan-Shanghai Property Hongqiao Economic Development Zone ABS.
 <p>Expanding service models</p>	<ul style="list-style-type: none"> • The Company innovatively launched nine themed activities under the "New Quality Productivity, One Hundred Events for Ten Thousand Enterprises" initiative, serving over 800 customers, and made good use of over-the-counter (OTC) options, a distinctive tool, to empower technological innovation, SMEs, and private enterprises, to enhance their risk management capabilities. • The Company broadened the scope of services and intensified financial literacy education and publicity. Leveraging the "Shenwan Hongyuan Wealth Research" WeChat Channel, the Company enhanced awareness and influence among the public and wealth management customers.

Assisted Kingtal Cemented Carbide's Listing on the New Third Board



In April 2025, Shenwan Hongyuan Financing Services successfully assisted Zhuzhou Kingtal Cemented Carbide Co., Ltd. (referred to as "Kingtal Cemented Carbide"), a national specialized, refined, differential and innovative "little giant" enterprise, in being listed on the National Equities Exchange and Quotations.

As a leading domestic supplier of cemented carbide products, Kingtal Cemented Carbide focuses on cemented carbide for rock drilling and engineering applications. This listing was a vivid example of the Company in guiding financial products and services to precisely support small and medium-sized "hidden champions" in high-end manufacturing and supporting the domestic substitution of key processes in the industrial chain.

Assisted Yingfan Technology with Its Listing on the New Third Board



In September 2025, Shenwan Hongyuan Financing Services successfully assisted Chongqing Yingfan Technology Co., Ltd. (referred to as "Yingfan Technology"), a national high-tech enterprise, in obtaining a listing on the National Equities Exchange and Quotations.

As a specialised and sophisticated SME in Chongqing, Yingfan Technology has been deeply engaged in heat dissipation modules and components. This listing laid a solid foundation for Yingfan Technology to connect with the capital market and broaden its financing channels. It also represented an important demonstration of the Company's support for the development of technology-based SMEs in the central and western regions, and of strengthening independent supporting capabilities in key processes of the electronic information industry chain.

Pension Finance

The Company proactively develops pension finance services, enhances its capabilities in creating pension finance products and providing financial services, deeply empowers the development of pension finance-related industry chains, and effectively meets the increasingly diverse pension finance needs.

Key Practice of Shenwan Hongyuan in Pension Finance in 2025

Enriching pension financial methods

- In 2025, Shenwan Hongyuan Securities issued the first phase of the Silver Hair Anxiang Series Structured Notes for the elderly population and completed subscriptions, with an issue size of RMB50 million. The eligible subscribers of this series of structured notes were natural persons aged 60 and above who were recognised by the issuer as professional investors in compliance with the *Administrative Measures for Suitability of Securities and Futures Investors*. In terms of structural design, the series of structured notes was designed to meet the needs of elderly professional investors for prudent wealth management, helping elderly customers obtain stable returns.
- Since the nationwide rollout of personal pensions, the Company launched an additional 94 personal pension fund Y units and 16 ordinary pension FOF funds. By the end of 2025, the Company had launched a total of 240 personal pension fund Y units.
- SWS MU Pension 2045 FOF achieved a return of 18.87% in 2025, with its annualised return ranking among the top three FOFs across the market.
- By the end of 2025, the number of personal pension accounts opened exceeded 4,800, the distribution product expanded to 241 products, and product holdings exceeded RMB12 million.
- Focusing on improving the usability of core functions such as market quotation enquiries and trading operations, the Company conducted a dedicated optimisation of the APP's Senior Version by simplifying interface interactions, enlarging key information, and strengthening operational guidance. The Company also strengthened the publicity and promotion of the functions of the senior-friendly version, helping elderly customers enjoy digital financial services.

Supporting the development of industries related to elderly care

- The healthcare industry is an important sub-sector related to the elderly care industry chain. In 2025, Hongyuan Huifu completed an investment in Jiangsu Boda Life Sciences Co., Ltd., an industrialised artificial vascular graft company, contributing to China's achievement of self-sufficient supply of high-value medical consumables. Shenyin & Wanguo Investment promoted the establishment of a primary equity investment fund for the health industry and carried out post-investment empowerment for the existing projects of the current health industry funds, thereby strengthening the development momentum of the healthcare industry.

Expanding the elderly care service mode

- In 2025, the Company released a total of two issues of the "Shenwan Hongyuan Diversified Elderly Care Allocation Solution", optimising pension investment advisory services.
- The Company strengthened research and investment services for pension insurance and empowered pension insurance institutions to enhance investment management through professional research and investment services, supporting the high-quality development of pension finance.

Conducting education and awareness related to pension finance

- In conjunction with 315 Financial Consumer Rights Protection Month, 515 Investor Protection Day, and the Illegal Financial Activities Prevention Publicity Month, the Company leveraged investor education bases and nationwide branches to carry out activities such as "Anti-Illegal-Finance and Anti-Fraud Class for Elderly Groups", and anti-illegal-finance and anti-fraud outreach in communities.

Digital Finance

The Company focuses on key areas such as the integration of business and technology, technology enablement, and digital transformation, promotes orderly data sharing and deepened application, and ensures the stable operation of financial business. The specific measures for digital finance in 2025 are detailed in the section "*Fintech Empowerment*".



Focus on Serving the Development of Key Regions

Promoting Regional Collaborative Development

The Company has implemented major national and regional strategies, such as "Coordinated Development of the Beijing-Tianjin-Hebei Region," "Integration of the Yangtze River Delta," "Guangdong-Hong Kong-Macao Greater Bay Area," "Chengdu-Chongqing Economic Circle," "Western Development," and "Development of the Yangtze River Economic Belt". Based on its advantages, Shenwan Hongyuan comprehensively has strengthened regional layout and resource investment in key regions, such as Beijing-Tianjin-Hebei, Yangtze River Delta, Guangdong-Hong Kong-Macao, Southwest China, Xinjiang, and Central China, promoted effective mobilisation of organisations, mechanisms and personnel, introducing high-quality financial services to key regions and supporting coordinated regional development.

Supporting the Development of the Xinjiang Region



In June 2025, Shenwan Hongyuan Securities and Bank of Kunlun jointly launched the "Shenwan Hongyuan Securities-Bank of Kunlun-Xinjiang Local Government Bond Joint Quotation Basket". This basket provided domestic and overseas investors with a convenient package of tools for allocating local government bonds in the Xinjiang region, aiming to enhance the trading activity and liquidity of Xinjiang local government bonds.

In the same month, "2025 Non-public Issuance of Corporate Bonds of Urumqi Water Industry Investment and Development Group Co., Ltd. to Professional Investors (Phase I)", for which Shenwan Hongyuan Securities acted as the sole lead underwriter, was successfully issued, with a size of RMB500 million. The issuer is the only state-owned enterprise and large-scale water-related affairs enterprise in Urumqi with a full industry chain covering source water, water production, water supply, drainage, sewage treatment, and resource utilisation. This issuance was an important practice in supporting the development of the Xinjiang region.

In 2025, SWS Research carried out research in areas including Bole, Xinjiang, organised industrial cluster seminars, and published the *2025 Xinjiang Energy and Materials White Paper*, providing research support for regional development.

Established the Yangtze River Delta Industrial Development Fund to Support Infrastructure Construction in Key Regions



In 2025, Hongyuan Huizhi, together with Gaolu Group, jointly initiated the establishment of the Yangtze River Delta Industrial Development Fund. The first phase planned to invest in the development of 50-year industrial land in Suzhou High-tech Zone, to construct single-storey industrial plants that were relatively scarce in the market. The fund size was RMB500 million.

The underlying assets of this project were high-quality, high-standard infrastructure projects comprising standard factory buildings in an industrial park, located in Suzhou, Jiangsu Province, a core area of the Yangtze River Delta. The project helped drive industrial upgrading in the Yangtze River Delta and build an intelligent manufacturing production platform for the region.

Assisted Huitong Technology's Listing on the ChiNext Board on the Shenzhen Stock Exchange, Serving Yangtze River Delta Integration



In 2025, Shenwan Hongyuan Financing Services successfully acted as sponsor for Yangzhou Huitong Technology (referred to as "Huitong Technology") for its listing on the ChiNext Board on the Shenzhen Stock Exchange. Huitong Technology focuses on polymer materials and hydrogen peroxide production equipment. This listing provided critical support for the enterprise to raise development funds and strengthen its R&D capabilities, and also served as an important practice of financial empowerment for the high-end equipment manufacturing industry and of promoting technological innovation and industrial upgrading in the Yangtze River Delta.

Assisted Hongjing Optoelectronic's Listing on the ChiNext Board on the Shenzhen Stock Exchange, Serving the Development of the Guangdong-Hong Kong-Macao Greater Bay Area



In March 2025, Shenwan Hongyuan Financing Services successfully sponsored the listing of Guangdong Hongjing Optoelectronic Technology Co., Ltd. (referred to as "Hongjing Optoelectronic") on the ChiNext Board on the Shenzhen Stock Exchange, raising RMB666 million. Hongjing Optoelectronic focuses on the R&D of optical lenses and modules for intelligent vehicles and emerging consumer sectors. This project injected critical capital impetus into the enterprise's capacity expansion and efficiency enhancement as well as R&D upgrades, serving as a vivid example of financial support for building an international science and technology innovation centre in the Greater Bay Area and promoting a virtuous cycle of "technology- industry- finance".



Serving High-standard Opening-up

The Company focuses on countries and regions along the Belt and Road, explores cooperation opportunities in depth, expands corporate investment and financing channels, serves domestic and overseas enterprises in "going global" and "bringing in", and enhances its international service capabilities.

Assisted the Successful Issuance of the Market's First "Technology Innovation + the Belt and Road + Energy Supply Assurance" Bond



In November 2025, Shenwan Hongyuan Securities, as the lead underwriter, successfully assisted the issuance of China National Petroleum Corporation's 2025 Public Offering of Technology Innovation the Belt and Road Corporate Bonds to Professional Investors (Phase 1) (Energy Supply Assurance). This bond was the market's first "Technology Innovation + the Belt and Road + Energy Supply Assurance" bond, with an issuance size of RMB6 billion, setting a record for the largest issuance size and the lowest issuance interest rate for corporate bonds of the same tenor.

Built the Belt and Road Sales Network



The Company covers a total of 137 customers in the Belt and Road regions including Southeast Asia, South Korea, and the Middle East, and has long served Middle Eastern sovereign wealth funds in Abu Dhabi, Qatar, and other locations, supporting their allocation to Chinese assets. In 2025, the Company participated as a co-organiser of the "2025 Korea Investment Week" investment forum in South Korea, providing an in-depth promotion of Chinese assets; and co-hosted a joint seminar with First Abu Dhabi Bank, which focused on core topics such as the value of the Chinese market and Middle Eastern capital allocation, and jointly explored China-UAE macroeconomics and investment opportunities.

Conducted Research Related to the Belt and Road



In 2025, focusing on the Belt and Road initiative, the Company conducted thematic research on outbound investment and the economic transformation of partner countries, analysed the structure of investment and exports, and carried out a quantitative assessment of the Belt and Road Initiative's role in driving China's exports. Meanwhile, the Company participated in drafting SAC's *Report on the Securities Industry's Participation in Belt and Road Initiative Development*, and took part in the research on the topic, *Opportunities and Challenges Facing Securities Companies under the Belt and Road Initiative Strategy*, providing reference for the industry.

Boosting the Reform of the Capital Market

Deepening the reform of the financial system is a breakthrough and key focus for accelerating the transformation and upgrading of China's financial sector, and is also an important pathway to addressing the prominent issues currently facing China's financial sector. Adhering to its role as a state-owned financial enterprise, the Company has actively leveraged its professional advantages in financial services. Based on its characteristic "new think tank," the Company has helped deepen the reform of the financial system and promoted the in-depth development of the financial system reform by strengthening internal reference services for macro policies, providing financial regulatory decision-making support, conducting in-depth interpretations of policies and plans, assisting in promoting local financial reforms, and deepening the industrial chain research.

Key Measures of Shenwan Hongyuan to Promote Capital Market Reform in 2025

Strengthening internal reference services for macro policies

- Dr. Yang Chengzhang, Chief Economist of SWS Research, submitted multiple proposals and internal reference reports during the Two Sessions, and provided market institutions with interpretations of the Report on the Work of the Government. He also participated in the National Committee of the Chinese People's Political Consultative Conference symposium on macroeconomic situation analysis, and relevant reports on promoting a reasonable rebound in prices and improving mechanisms for enterprises to go global, among other topics, received officials' instructions.
- SWS Research submitted over 100 policy participation and deliberation materials in total, providing high-quality decision-making advice for central macro-financial policies.

Providing financial regulatory decision-making support

- SWS Research fulfilled its role as a professional think tank, supported financial regulatory decision-making, and established sound communication mechanisms with regulatory authorities.
- The Company provided research support to financial regulatory authorities on topics such as risk prevention in the securities industry and enhancing the capabilities of the Shanghai International Financial Centre, and provided analytical assessments of the securities industry and market conditions.
- The Company completed the General Report section of *China Securities Industry Development Report (2025)*, and prepared thematic reports focusing on corporate governance and value creation of listed companies, the digital capabilities of securities firms, and the business of issuing securities research reports.

Interpreting policies and plans in-depth

- Focusing on the Central Work Conference, the spirit of the Two Sessions, and the 15th Five-Year Plan proposal, the Company launched a number of in-depth interpretations on topics such as breaking the impasse of homogeneous local development, the diversified comprehensive value of listed companies, and enhancing the effectiveness of financial services. Along the policy research line, a total of 38 media reports were produced.

Promoting local financial reforms

- The Company created the "Yantai Sample" by participating in the review of decision-making and consultancy under the social think tank services organised by the Yantai Municipal Government. Nine reports received instructions from officials of the Yantai Municipal Party Committee.
- The Company provided research support services for the development of financial reform and the transformative and innovative development of the financial services industry in multiple cities, including Nanning, Guangxi Zhuang Autonomous Region; Wuhan, Hubei Province; and Hefei, Anhui Province.

Deepening industrial chain research

- With the "industrial chain map - investment opportunities" as the main thread, the Company focused on the deployment of research organisations across five areas and seven industrial chains, produced dozens of research achievements, hosted 16 industrial chain summits, published two industrial chain white papers and multiple industrial chain reports, and organised over 100 industrial chain research activities and conference calls, further strengthening its insight into industrial trends.

Supporting Rural Revitalisation

The Company has actively implemented the national rural revitalisation strategy, established the assistance leadership group, assistance work group and office, and formulated systems, such as the *Management Measures for Designated Assistance and Temporary Employment* and the *Management Measures for Designated Assistance Funds and Projects*, to ensure effective implementation of poverty alleviation achievements and rural revitalisation strategies.

In 2025, the Company conscientiously implemented the CPC Committee and the State Council's decisions and arrangements on consolidating and expanding the outcomes of poverty alleviation and comprehensively advancing rural revitalisation. Focusing on the actual needs of designated assistance areas, and centring on two priorities, namely firmly guarding the bottom line of againsting large-scale poverty-returning and enhancing endogenous rural development momentum, the Company systematically advanced efforts in industrial revitalisation, employment assistance, education support, and people's livelihood guarantees, among others. The Company built the Shenwan Hongyuan Rural Revitalisation Branded Project, demonstrating the Company's commitment to serving national strategies and fulfilling social responsibilities.

Key Practice of "Firmly Guarding Large-scale Poverty-returning" in 2025

Consolidating the achievements in poverty alleviation

- The Company implemented financial assistance initiatives such as "comprehensive poverty-returning prevention insurance" and "insurance + futures", providing key groups with protection against multiple risks covering natural disasters, critical illnesses, and price fluctuations.

Industrial support

- The Company remained committed to driving farmers' stable income growth through high-quality industrial development, with a focus on supporting the development of the entire mutton sheep industry chain, the development of distinctive planting and breeding bases, and improvements in agricultural infrastructure and mechanisation. Through measures such as the construction of emergency drought-resistance water reservoirs, the construction of standardised livestock farms, the provision of agricultural machinery and equipment, and the construction of meteorological facilities for disaster prevention, mitigation and relief, the Company enhanced overall agricultural production capacity, created more than 3,000 employment opportunities, facilitated the transfer of employment for 5,000 people, and promoted farmers' income growth of more than RMB50 million.

Employment support

- Through the "1+N" model, the Company established the Love Factory, developed subcontracted processing and flexible employment, and cumulatively provided training to 300 person-times, achieving stable employment for 128 people, effectively addressing the issues of nearby employment and steady income growth for key groups such as mothers accompanying their children for schooling.

Educational support

- The Company continuously implemented "Hand in Hand", "Shenwan Hongyuan Class", "Beijing Study Tour", and the "Escort Plan", improving school operating conditions and enhancing teaching quality through study tours and exchange activities, installation of eye-protection lamps, and dual-teacher online courses, benefiting thousands of local university, secondary and primary school students.

Consumption assistance

- Through centralised procurement, e-commerce enablement, brand building and market matching, the Company assisted in the sale of farm products totalling more than RMB38.11 million throughout the year, promoting featured products such as Huining lamb to enter a broader market and enhancing the marketisation and sustainable development capacity of characteristic industries.

Key Practice in Supporting Huining County to "Promote Comprehensive Rural Revitalisation" in 2025

Industrial revitalisation

- Constructed a 50,000 m³ drought-resistant emergency "high-level water storage tank", benefiting 3,130 people of 740 households.
- Tailored "insurance + futures" projects for 13,048 people of 2,920 households in three categories, covering five varieties such as live pigs.
- Established artificial weather modification operation bases in areas with a high incidence of meteorological disasters such as hail, rain and fog.
- Advanced the construction of new, or renovation and expansion of, standardised and scaled cattle and sheep farms in 28 townships.
- Provided dedicated awards and subsidies for distinctive industries such as Chinese medicinal materials and vegetables, expanding the benefits of scaled planting.
- Allocated 57 units of agricultural machinery to five townships, benefiting 15,203 people of 24 villages.
- Leveraging Huining County's distinctive apple industry, Shenwan Hongyuan Public Welfare Foundation carried out the "Love: Apple Orchard" public welfare project for charitable tree adoption. By supporting fruit growers' stable income growth through adoption and care arrangements, the foundation raised approximately RMB460,000 in public welfare funds over the year and enabled the adoption of more than 500 apple trees.

Ecological revitalisation

- Planted "CIC Carbon Sink Ecological Forest" for four consecutive years. In 2025, it added more than 4,500 mu, bringing the cumulative total to more than 18,000 mu.
- Assisted Huining County in advancing the development of carbon sink rights and interests and in improving the mechanism for realising the value of ecological products.

Talent revitalisation

- Established a "platform + resources + practice" training system and carried out a series of training programmes for Party members and cadres, section-level backbones, and teachers and students at schools, among others, reaching a total of 71,400 participants.

Cultural revitalisation

- Carried out the appraisal of the "Most Beautiful Family" to strengthen the demonstrative and leading role of exemplary models.
- Implemented the Silver Hair Fund and the Budding Fund to provide targeted care for special groups.

Organisational revitalisation

- Established four village Party and mass service centres to comprehensively enhance the hardware facilities and the capacity to perform the duties of the village Party committee to serve the masses.
- Strengthened supervision and guidance on the standardised management of the "Party-mass Mutual Assistance Fund" to ensure the preservation and appreciation of assets.

Implemented the "Love Factory" Programme



In 2025, the Company implemented the "Love Factory" programme, aiming to attract a large number of accompanying mothers, low-income women, and mothers from migrant families to participate in employment through short-term skills training, hands-on practical instruction, childcare support, and flexible employment arrangements.

Since the programme was implemented, the employment conversion rate had reached 43%, driving cumulative increases in household income of RMB1.6 million. With increased production capacity, the factory established stable cooperative relationships with schools and public institutions and enterprises within and outside the county, and order demand increased by 30% compared with the initial stage of launch, effectively addressing the employment difficulties faced by women.

Implemented the "CIC-Huining Industrial Development Revolving Fund" Project



The Company initiated and established the "CIC-Huining Industrial Development Revolving Fund" Project to support the steady development of market entities such as leading industrial enterprises and planting and breeding cooperatives in Huining County, Gansu Province, and to alleviate practical problems such as "difficult and expensive financing".

Through an approach of "government-led, financial undertaking, targeted disbursement, and revolving use", the project implemented a policy-based low interest rate of no higher than 2.6%, reducing financing costs for business entities, enhancing the willingness of entrusted banks to participate on an ongoing basis, and significantly easing the common pain points of "difficult and expensive financing" faced by grassroots industrial entities. In 2025, the Company continued to invest RMB2.92 million to expand the scale of the revolving fund, covering sectors including livestock farming, pharmaceuticals, and food, and achieved positive results.

Supported Rural Revitalisation in Nanning, Guangxi Through Egg "Insurance + Futures"



Shenwan Futures carried out an "insurance + futures" project for eggs in Jiangnan District, Nanning, Guangxi Zhuang Autonomous Region, providing price risk protection for 1,800 tonnes of eggs produced by three layer-hen breeding enterprises and farms in Jiangnan District, covering a project amount of more than RMB12 million. Shenwan Futures used futures and options to mitigate the risk of a decline in egg prices, effectively safeguarding the economic benefits of layer-hen breeding enterprises and providing effective financial services support for the development of the local layer-hen industry.

Implemented Multiple Dalian Commodity Exchange Livestock Breeding Special Projects



In 2025, Hongyuan Futures worked with CPIC Property Insurance Weinan Branch to successfully implement multiple Dalian Commodity Exchange livestock breeding special projects in Fuping County, Baishui County, and Pucheng County under the jurisdiction of Weinan, Shaanxi Province, achieving claims of approximately RMB5.1017 million. This effectively mitigated the impact of falling live pig prices on breeding operations and, through the "insurance + futures" model, established a robust price risk protection system for local farmers.

Assisted in the Development of the Jujube Industry



Shenwan Futures and Hongyuan Futures have implemented the jujube "insurance + futures" project in Makit County, Xinjiang for many consecutive years. In 2025, the Makit County project provided coverage for more than 40,000 tonnes and more than 80,000 mu, with a total premium of RMB18 million. Building on the price protection provided under the "insurance + futures" model, Shenwan Futures further optimised the innovative model of "order-based procurement + bank + secondary pricing", effectively ensuring stable jujube production and the income of jujube farmers.

Performance highlights of the Company in rural revitalisation in 2025:

- The Company invested assistance fund of RMB**31.78** million in Gansu, Xinjiang, Guizhou, and other regions, benefiting more than **300,000** people in the assisted areas. Among them, the free assistance fund of RMB**28.10** million has been invested in Huining County.
- The Company concentratively procured farm products of more than RMB**14** million and assisted in the sales of farm products for RMB**24.06** million.
- The Company assisted Huining County in increasing **3,000** employment posts, facilitating the transfer of employment for **5,000** posts and driving income growth of over RMB**50** million, attracting RMB**180** million in investment and introducing **13** high-quality assistance projects.
- The Company delivered professional personnel- related training with **7,141** participants for Huining County, and leveraged Tsinghua University resources to provide specialized training for teachers and students across the county with attendance of **64,334** participants.

In 2025, rural revitalisation honours were awarded to the Company:

- *Party Building Leadership in Support of Rural Revitalisation: Leveraging the Strengths of Securities Companies to Carry Out Assistance in Gansu, Xinjiang, and Other Regions* was selected by the China Association for Public Companies (CAPCO) as a "2024 Best Rural Revitalisation Practice Case for Listed Companies".
- Won the China Society of Territorial Economics "2025 Innovative Practice Case in Rural Revitalisation".
- Won the Responsibility 100 · China Education Awards "ESG Action Award | Rural Revitalisation and Social Development".
- *Shenwan Hongyuan "Financial + Industrial" Assistance Practice: Supporting High-Quality and Sustainable Rural Revitalisation in Huining* was selected by Xinhua News Agency's Xinhuanet as a "2025 Outstanding Practice Case in Rural Revitalisation".
- *Shenwan Hongyuan Financial Empowerment + Industrial Revitalisation: A New Dual-Engine "Three Builds, Three Promotes" Model* was selected by CNR Network Finance Centre as a 2025 "Golden Pinnacle" Excellent Case.
- The "Love Parcel" rural revitalisation public welfare add-on donation structured notes innovative project received a donation commendation at the "2025 Rural Education Development Forum" organised by the China Foundation for Rural Development.



ESG Action Award | Rural Revitalisation and Social Development



CNR Network Finance Centre's 2025 "Golden Pinnacle" Excellent Case



Commendation at the 2025 Rural Education Development Forum

Customer First, Optimising Financial Services

In the face of profound changes in the capital market, the Company can only win the future by focusing on customers' needs in wealth management, asset allocation, risk management, and cross-border investment and financing, and by upholding a customer-first approach. The Company continues to optimise the customer service experience and increase investment in financial technology, driving the transformation of traditional brokerage business towards buy-side investment advisory, accelerating the development of capital intermediary business, giving full play to research strengths, and enhancing brand impact.

In 2025, the Company promoted technology-enabled business and digital transformation, implemented data security and customer privacy protection, enhanced service quality and customer satisfaction, and helped prevent and mitigate major financial risks, supporting the steady development of the capital market.

Key Topics in this Chapter

Providing Quality Products and Services, Fintech Empowerment, Data Security and Customer Privacy Protection



Optimising Financial Services

Relying on the capital market and focusing on securities business, the Company has created a comprehensive business system integrating corporate finance, personal finance, institutional services, and trading and investment management business, to provide multi-tiered, all-round comprehensive financial services for corporate customers, professional institutional customers, individuals, and non-professional institutional customers.

Governance

In line with the "customer-centric" business philosophy, the Company has established a systematic business management system. Each business department has been continuously providing customers with high-quality and differentiated financial products and services. In order to enhance the efficiency and professionalism of service management, the Company has established the Strategic Customer Headquarters, the Institutional Customer Headquarters, the Wealth Management Division and other departments to coordinate and take charge of special customer services. Moreover, the Company has formulated and continuously improved internal management systems and standards, such as the *Customer Classification and Grading Method (Trial)*, the *Key Customer Service Regulations (Trial)*, the *Management Rules for Sales Services for Key Customers of Institutional Customer Headquarters*, the *Detailed Rules for Attendance Management of Institutional Customer Headquarters*, etc.

In 2025, the Strategic Customer Headquarters of the Company further advanced the departmental transformation, shifting from leading and coordinating strategic customer services to leading the in-depth development and expansion of core strategic customers; the Wealth Management Division established a Financial Products Centre to provide high-quality one-stop services centred on customer needs. By optimising departmental responsibilities and the organisational structure, the Company continuously enhanced the professionalism of customer services and overall management efficiency.

Strategy

The Company continues to strengthen its core positioning as a "gatekeeper" in the capital market and a "manager" of social wealth. By providing high-quality and professional financial services, the Company meets the diversified needs of corporate customers, institutional customers and individual investors, supporting the optimal allocation of resources and the steady growth of investors' wealth.

In the process of providing high-quality products and services, the Company faces compliance risks associated with practitioners, while also capturing significant market and business opportunities. On the one hand, if practitioners engage in non-compliant conduct in customer solicitation and service, as well as the introduction of new policies, this may bring challenges to compliance management; on the other hand, continuously improving the quality of financial products and services helps enhance customer satisfaction and loyalty, improve market competitiveness, and promote sound business development.

Analysis of Risks and Opportunities Related to "Providing Quality Products and Services" of Shenwan Hongyuan

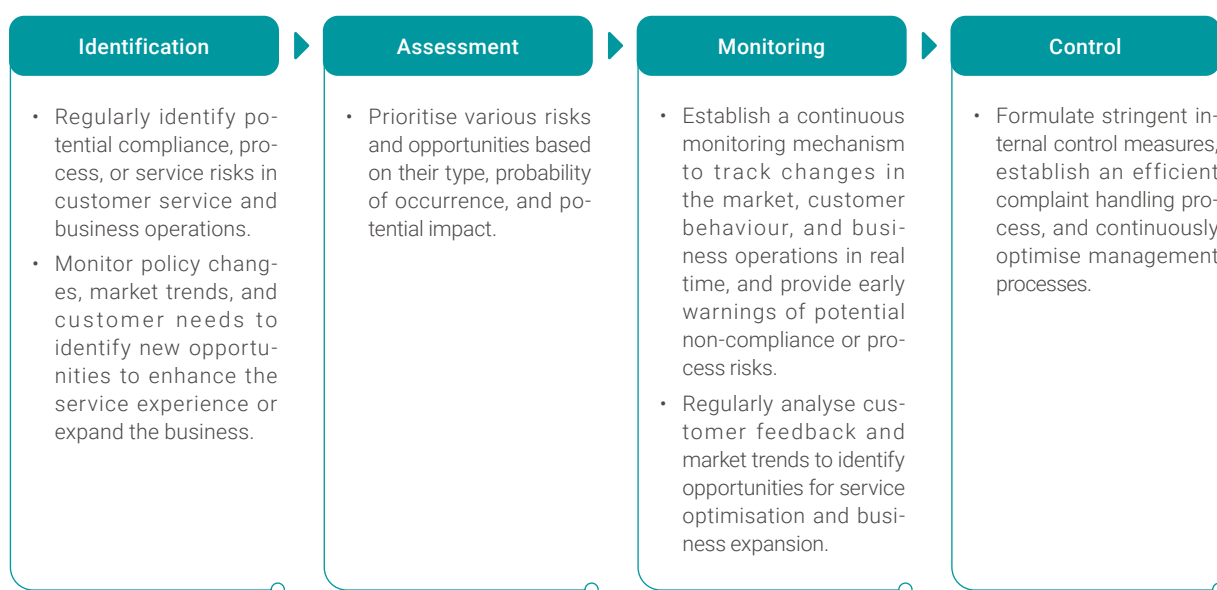
Main Risks and Opportunities	Specific Analysis	Scope of Impact	Financial Impact Analysis
Compliance risk	<ul style="list-style-type: none"> The non-compliance of the practitioners (e.g., brokers) in customer solicitation and service processes may pose compliance risks to the Company. As regulatory authorities continue to strengthen the management related to the sale of financial products and introduce management requirements such as <i>Provisions on the Management of Sales Fees for Publicly Offered Securities Investment Funds</i>, failure to strictly implement the requirements of relevant systems and to optimise business processes in a timely manner in the course of business development may result in compliance risks. 	Short, medium, and long term	<ul style="list-style-type: none"> Increase in compliance cost
Market and business opportunities	<ul style="list-style-type: none"> High-quality financial services are an important factor for the Company to gain market competitiveness. It is helpful to retain existing customers and develop new ones, and seize market and business opportunities 	Short, medium, and long term	<ul style="list-style-type: none"> Increase in operating income

The Company always adheres to a customer-first and professionalism-driven approach, fully leverages the advantages of the two-tier structure of "Investment Holding Group + Securities Company", and continuously enhances its core capabilities in investment research, product creation, risk pricing, and financial technology. Focusing on strengthening the development of channel capabilities, service capabilities, product capabilities, and digital capabilities, the Company further enriches and improves matrix-based customer services.

Impacts, Risks, and Opportunities Management

The Company has integrated risk assessment, analysis and management related to high-quality financial services into its comprehensive risk management system. Each business line, as the first line of defence for business risk management, should implement the identification, assessment and management of business risks.

Shenwan Hongyuan Management Process for Impacts, Risks and Opportunities in "Providing High-quality Products and Services"



The Company implemented the graded and classified management for different customers, established a comprehensive major customer service system, and implemented differentiated management based on the characteristics of investment institutions, government and enterprise customers, and retail customers. Through coordinated collaboration among internal departments and in-depth exploration of needs, as well as customer-facing professional services and digital empowerment, the Company continued to enhance customer satisfaction and service value, optimise business development effectiveness, and strengthen the Company's competitive position and influence in the market.

Specific Measures for "Graded and Classified Customer Management" of Shenwan Hongyuan

Graded and Classified Customer Management	Description
Major customers (strategic customers, key customers)	<ul style="list-style-type: none"> The Company continuously improved the customer service system for major customers, implemented the "1+1+1+X" customer manager responsibility system for strategic customers, formed a comprehensive financial service team, jointly provided comprehensive financial services for strategic customers, and energetically promoted the professional investment of potential customers. The Company continued to advance a customer empowerment system with digital transformation at its core. Platform development for empowerment aimed to enhance collaboration efficiency and innovate collaborative service models.

Graded and Classified Customer Management	Description
	<p>For investment institution customers:</p> <ul style="list-style-type: none"> The Company provided rich customised product solutions for institutional customers, formed a product and service system with full customer coverage, 24/7 investment and full-cycle configuration, and continuously coordinated internal and external resources to steadily promote services for public insurance, banking, and non-licensed financial institution customers. With a four-dimensional support system of "research upgrades + trading services + product synergy + international expansion", the Company built differentiated service advantages. The Company refined customer service process management, promoted the updating and improvement of multiple management systems, and comprehensively regulated professional behaviours of employees, to ensure compliance and efficiency of business operations and strengthen the management of sales incentive and constraint mechanisms.
Refined classification management	<p>For government and enterprise customers:</p> <ul style="list-style-type: none"> The Company gave full play to the professional advantages of "research + investment + investment banking," continuously strengthened collaborative cooperation between departments and enhanced customer loyalty and service value through professional services, to provide customers with comprehensive financial services in all aspects.
	<p>For retail customers:</p> <ul style="list-style-type: none"> The Company established a "6+1" business hierarchical system (focusing on high-quality service contents and consisting of supporting systems, teams, production, sales, operation and training), to form the standardised investment advisory service products and the "investment advisory +" service model for one-on-one investment advisory signing. The Company made efforts in the aspects of concept output, strategy supply and product supply and continuously increased the supply of high-quality financial products, to provide rich financial products and tool support for personal fund conversion, and continuously improved the capability and effectiveness of adapting to the differentiated wealth management needs of the residents. The Company has created three major series of investment advisory services: "Shencai, Youdao and Peiban," and provided professional and customised asset allocation services in terms of private customised services, closely focusing on customers' investment lifecycle and aligning deeply with customers' differentiated needs.

In 2025, Shenwan Hongyuan continued to optimise customer service initiatives, focusing on enhancing customer experience and service efficiency. On the one hand, the Company deepened differentiated and customised service models to enhance the quality and efficiency of services for key customers; on the other hand, the Company advanced iterative upgrades of the APP and refined operations, strengthening digital service capabilities and customer stickiness.

Key Measures of Shenwan Hongyuan to Optimise Customer Services in 2025

Optimising the service model

- Provided major customers with customised "one company, one strategy" services: The Company established a closed-loop mechanism of monthly reviews, quarterly evaluations, and annual summaries, conducted thematic research on major customers, and formulated precise, optimised service solutions.
- The Company promoted remote and centralised services and fully rolled out the account opening model of "APP mobile counter acceptance + centralised processing at headquarters" for institutional product customers, basically covering all branches.
- The Company actively built an empowerment system for corporate customer expansion and comprehensive financial services, and promoted the standardisation of corporate customer services and the transfer of relevant knowledge and skills.

APP iteration upgrades and operations management

- Focusing on strategic objectives such as the transformation towards wealth management, the upgrade of intelligent services, the development of a digital operational system, and differentiated services for different customer segments, the Company comprehensively optimised product functions and the service architecture. In 2025, the Company completed a total of 11 version iterations for the Shenwan Hongyuan Securities APP (Dayingjia).
- The Company organised multiple rounds of specialised training for branches, prepared the *New Version User Guide* and supporting promotional materials, and enhanced branch employees' familiarity with the upgraded functions and their promotion capabilities, thereby driving dual improvements in customer user experience and satisfaction.
- Focusing on the main line of content operations, the Company continuously enhanced APP customer activity. Centring on trending information, the Company carried out personalised proactive operations for different customer segments, enhancing content stickiness and customers' active time. In 2025, the APP's monthly active users increased from 1.833 million per month to 2.129 million per month at the end of the year.

The Company attached great importance to communication and interaction with customers and complaint management. By establishing diversified and convenient communication channels, as well as a standardised and effective complaint handling mechanism, the Company promptly responded to customers' concerns, properly resolved disputes, and continuously enhanced the level of investor services.

Customer Communication Channels and Complaint Mechanism of Shenwan Hongyuan

Customer communication channels

- The Company established the customer service hotline 95523, online customer service, company website, mobile app and PC transaction client, email, various business outlets and other online and offline communication channels to directly handle customer complaints.
- The Company has included the site and personnel of the investment education base in the diversified resolution mechanism for securities disputes, and established a "dispute mediation area" to build an investor complaint communication platform.

Customer complaint mechanism

- The Company developed and released relevant systems, such as the *Guidelines on Handling Investor Complaints*, and established a graded mechanism for handling investor complaints, to standardise the complaint handling process.
- The Company established a special interdepartmental working group to handle investor complaints and guide the work related to customer complaint handling.

In terms of customer satisfaction surveys, the Company established a comprehensive and robust management system. The Company continuously conducted customer satisfaction surveys focusing on core dimensions such as overall service quality and the service experience of customer managers through multiple channels, including the APP, PC terminals, and WeChat. The Company systematically collected user feedback and used the results to optimise services and improve processes.

Metrics and Targets

Each business line and relevant department of the Company sets monitoring metrics around management objectives such as "enhancing customer service satisfaction", including customer service satisfaction and the proportion of overall customer service ratings. The Company continuously tracks and analyses the metrics, and, based on the monitoring results, drives the optimisation and improvement of service processes, continuously enhancing customer experience and service quality.

Providing Quality Products and Services Targets and Progress of Shenwan Hongyuan

Targets	Metrics	2025 Progress
Enhance customer service satisfaction, with customer satisfaction for online customer service maintained at above 98%.	<ul style="list-style-type: none"> • Customer service satisfaction • Percentage of customers rating the Company's overall services as "Satisfied" or "Very Satisfied" 	<ul style="list-style-type: none"> • The annual customer satisfaction rate of customer service hotline 95523 and online customer service was up to 98.74% • When the satisfaction survey was conducted for existing customers who have received follow-up visits, the proportion of customers "satisfied" or "very satisfied" with the overall service of the Company was 89.93% • A satisfaction survey was conducted among corporate customers, and overall feedback indicated that customers were generally satisfied with the services.

Preventing and Defusing Financial Risks

As a state-owned financial institution, the Company thoroughly implemented General Secretary Xi Jinping's important statement that preventing and resolving financial risks was the fundamental task of financial work, adhered to the principles of scientific prevention and control, and implemented the requirements of "early identification, early warning, early detection, and early disposal". The Company consistently regarded the prevention and defusing of major financial risks as a major political responsibility, placing it at the strategic and overall level.

Main Measures of Shenwan Hongyuan for Preventing and Resolving Financial Risks



Risk management and compliance control

- The Company improved the early identification, warning and correction mechanisms for financial risks, refined a risk management system that was aligned with the development of new quality productive forces, and strengthened the prevention and resolution of customer risks, market risks and potential systemic risks.
- The Company actively played the important role of a "gatekeeper" in the capital market, effectively improved the quality of practice, fulfilled duties conscientiously, and never pushed "sick" projects into the market.



Risk mitigation in key areas and corporate empowerment

- The Company actively participated in risk resolution work in key areas, such as small and medium-sized financial institutions, local government debt and the real estate market, to make a contribution to the overall financial stability.
- The Company carried out the themed activities under the "Hundred Events for Ten Thousand Enterprises", and, in conjunction with distinctive local industries, publicised and promoted practical applications of OTC options to empower real-economy enterprises in risk management. In 2025, a total of nine events were held, with over 800 enterprises participating.

Hongyuan Futures Assisted Enterprises in Providing Risk Management Services with New Models



Based on the needs of the real economy, Hongyuan Futures comprehensively applied diversified tools such as futures, options, and OTC derivatives, and continuously enhanced the refinement and professionalism of customers' price risk management. In the process of serving industrial customers, Hongyuan Futures used futures and options to help customers hedge against the risk of commodity price fluctuations and stabilise operating expectations. At the same time, in combination with customers' actual operating scenarios, it designed customised over-the-counter derivatives solutions to achieve refined management of price risk, term structure, and exposure size.

Hongyuan Futures innovatively introduced the "trading with options" model, embedding options instruments into the spot trade process. While helping customers effectively manage price risk, it also helped address practical operational issues such as spot procurement, sales, and settlement, enhancing the alignment between financial services and industrial needs.

In 2025, Hongyuan Futures innovatively carried out the upgraded comprehensive insurance protection project for Baisha rubber insurance + futures, providing broader coverage and more stable risk management support for the rubber industry in Baisha Li Autonomous County, Hainan Province.

Fintech Empowerment

The Company focuses on key areas such as the integration of operations and technology, technology empowerment and digital transformation, promoting the standardised integration and orderly sharing of data resources, deepening the application of financial technology in scenarios including business management, risk control and customer services, and continuously enhancing operational efficiency and the level of refined management.

Governance

The Company focuses on top-level design and continues to improve the development of its fintech management system. The Company has established a governance structure with clearly defined responsibilities and efficient collaboration, and formulated internal systems such as the *Management Measures for Information Technology Projects*, the *Implementation Rules for Open-source Technology Management*, and the *Implementation Rules for Application Software Requirements Management*, clarifying specific requirements for fintech-related work and implementation rules for each process.

Shenwan Hongyuan "Fintech Empowerment" Management Structure

IT Governance Committee/Digitalisation Leading Group

- The IT Governance Committee is responsible for reviewing the information technology strategy and planning, the information technology investment budget and its implementation, the initiation of significant information system development or major upgrades, major change plans, and information technology contingency plans.
- The Digitalisation Leading Group is responsible for coordinating the Company's strategic planning and resource investment for digital transformation, reviewing the decomposed digital transformation targets and related strategies for each business segment, and approving major projects arising from the implementation of digital transformation targets.

IT Development Headquarters/IT Assurance Headquarters

- The IT Development Headquarters is primarily responsible for the planning and development of the Company's application systems and the formulation of related systems, including software development management and quality control, and the technical implementation of internet finance and innovative business.
- The IT Assurance Headquarters is primarily responsible for the planning and construction of information technology infrastructure and system operation and maintenance, and for formulating and implementing a unified information technology security strategy.

Functional departments

- Functional departments collaborate to advance the digitalisation strategy, propose information system development requirements based on business development, fulfil corresponding information technology management responsibilities, use the information systems in accordance with technical specifications and carry out operation, maintenance, and support of the information systems.

Strategy

By deepening financial technology empowerment, the Company effectively improves the convenience of trading for investors and the efficiency of obtaining information, continuously optimises the customer experience, and enhances the transparency of market operations. Meanwhile, the technological capabilities and data insights that the Company has accumulated through innovative practices not only drive the Company's digital transformation, but also provide important support for enhancing the overall efficiency of the capital market and optimising the ecosystem.

The Company continues to monitor trends in technological development in the industry and changes in the policy environment, and proactively leverages financial technology to drive business innovation and digital transformation. In this process, the Company faces potential risks relating to technology and compliance, while also seizing opportunities to enhance efficiency and service capabilities. The Company systematically assesses these risks and opportunities, analyses their medium- to long-term impacts, and provides decision-making support for financial technology strategic planning and business development.

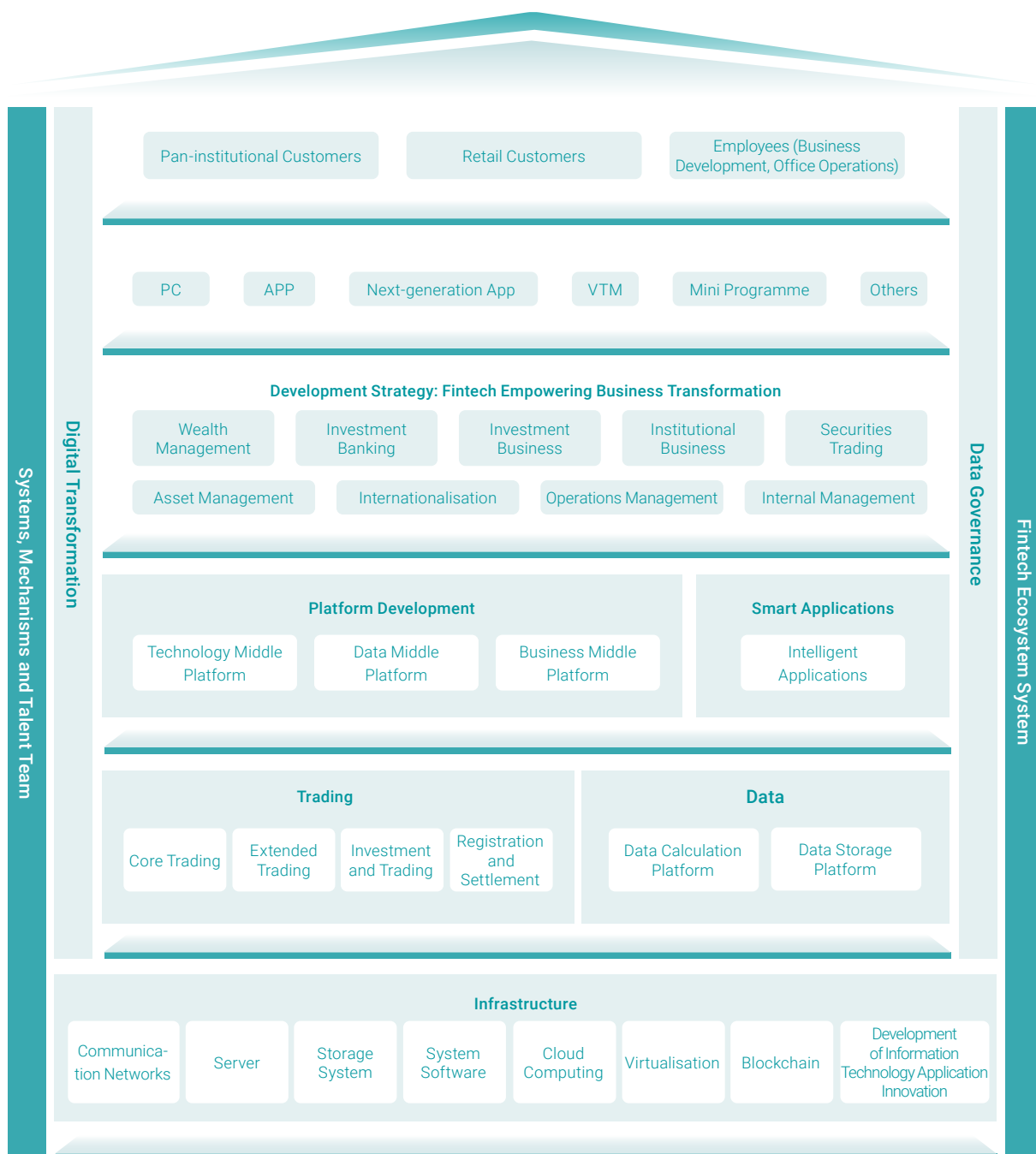
Analysis of Risks and Opportunities Related to "Fintech Empowerment" of Shenwan Hongyuan

Main Risks and Opportunities	Specific Analysis	Scope of Impact	Financial Impact Analysis
Technical risk	In the process of leveraging financial technology to empower business development, technical systems or platforms may encounter issues such as functional failures, algorithmic bias, or model malfunction, which may affect the effectiveness of business innovation and operational efficiency, and pose potential risks to customer service experience and the smooth execution of transactions.	Medium and long term	Increase in operating costs
Compliance and AI ethics risks	The promotion and application of AI large language models may face uncertainty regarding laws, regulations, and compliance requirements. At the same time, there are AI technology ethics risks such as algorithmic bias and improper data use, which may affect the Company's reputation, customer trust, and business operations.	Medium and long term	Increase in compliance cost
Product and service opportunities	Financial technology can bring innovative impetus to the Company, enhance the efficiency of financial services, empower various products and services, and strengthen the Company's market competitiveness.	Short, medium, and long term	Increase in operating income



The Company continues to promote the development of digital finance, accelerates digital development, deeply explores financial data, and explores reshaping business models through AI. It continues to deepen Shenwan Hongyuan's "12349" digital transformation strategic layout, enhances its digital finance application capabilities, promotes digital innovation and application in key business and customer service areas, and achieves deep integration of finance and technology.

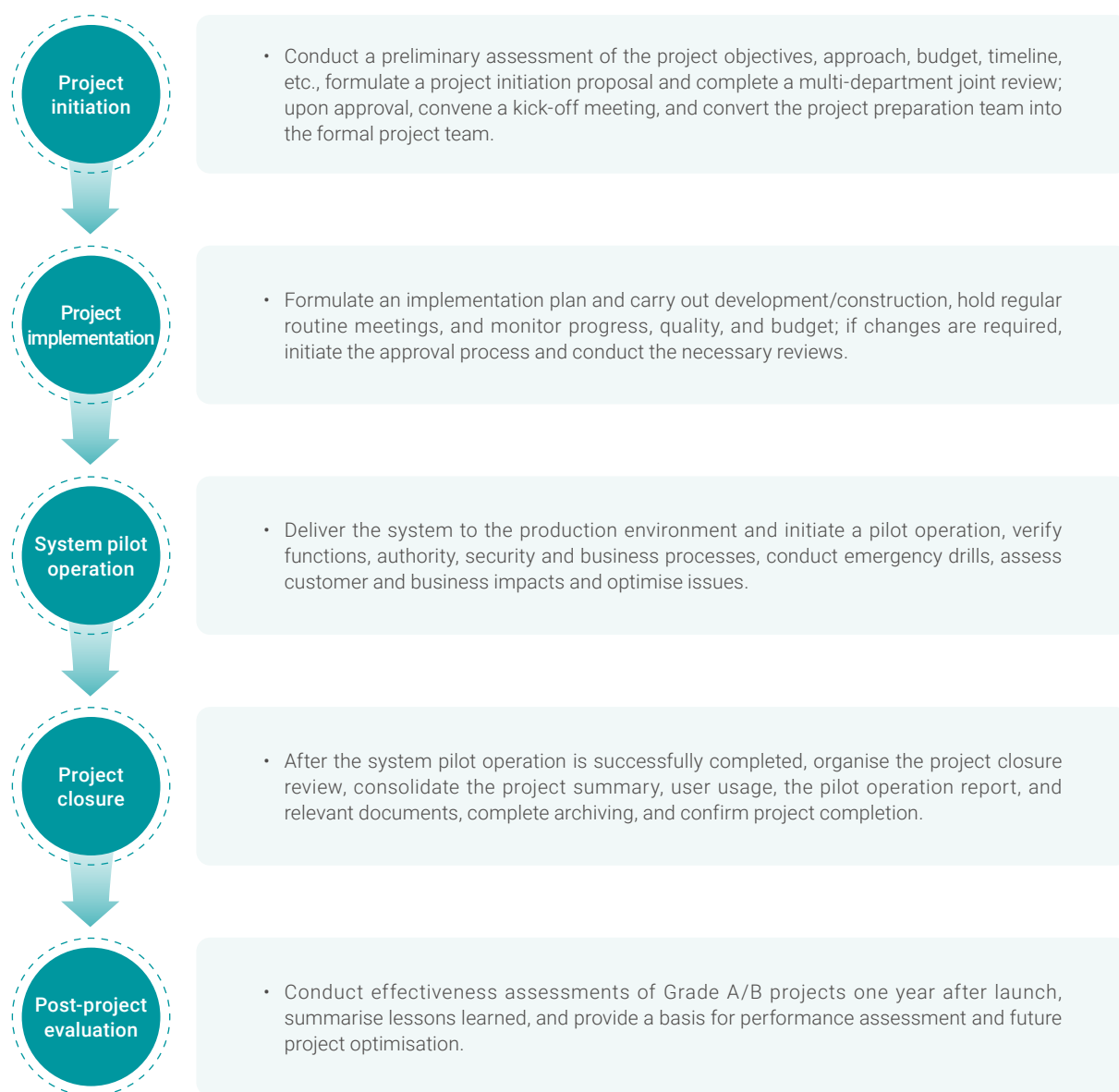
Shenwan Hongyuan Fintech Plan



Impacts, Risks, and Opportunities Management

To address risks associated with fintech empowerment and to seize related opportunities, the Company has established a management process for information technology projects, covering "project initiation, project implementation, system pilot operation, project closure, and post-project evaluation", thereby effectively identifying, assessing, monitoring, and managing the impacts, risks, and opportunities related to the Company's fintech empowerment.

Management Process for Information Technology Projects of Shenwan Hongyuan



In 2025, Shenwan Hongyuan continued to advance fintech empowerment, deepened the application of automation, intelligent and visualisation technologies, built an efficient, stable and secure digital support system, promoted business innovation and enhanced operational efficiency, and actively participated in the development of the industry's digital ecosystem to facilitate collaborative co-development and the standardised development of financial technology experience and capabilities.

Key Practice of Shenwan Hongyuan in Fintech Empowerment in 2025

● Automated deep operations

- The Company comprehensively applied RPA tools to empower automated daily market opening and closing operations. As of the end of 2025, the Company had achieved automated coverage for 1,010 daily tasks, with an automation rate of 95%, an operational review ratio of 99%, and average annual labour savings of more than six people, continuously strengthening the assurance capability for the day-to-day operation of information systems.

● Visualised business empowerment

- Leveraging visualisation technologies, the Company continued to support the development of business departments, providing functional enhancements and value-added services in optimising customer experience and improving the efficiency of business processes, and continuously improving the quality of IT services and the level of business support.

● Intelligent monitoring and alert closure

- The Company built a unified monitoring system, developed a panoramic map of monitoring capabilities, and, with a centralised alerting platform as the core, integrated multi-source alert information to enable use cases such as intelligent noise reduction and precise notification, helping establish a closed-loop management mechanism of "anomaly detection - monitoring and early warning - alert handling - incident response - retrospective evaluation", thereby improving operational and maintenance response efficiency.

● Construction of an intelligent operations and maintenance platform

- The Company built a unified log and intelligent operations and maintenance platform to enable unified log query, anomaly alerts, and the mining of business metrics. It continuously improved intelligent scenarios such as dynamic thresholds, metric spike detection, and intelligent threshold setting, so as to further enhance the stability and assurance capabilities of information systems.

● Innovative applications of large language models

- By integrating large language models with the work order system, the Company established an intelligent natural language-based Q&A framework to support work order detail queries, statistical queries, and associative queries, improving the efficiency of anomaly identification and emergency response.
- By integrating monitoring and log platforms, the Company enabled natural language interactive data querying and analysis, transforming specialised queries into intelligent Q&A and further enhancing operations and maintenance efficiency.
- The Company piloted an AI digital robot based on DeepSeek-R1 at branch service counters to explore new models of intelligent services.

● Participating in the construction of an industrial digital ecosystem

- The Company was deeply involved in the development of the national standard *GB/T 43208.2-2025 Information Technology Service—Intelligent Operation and Maintenance—Part 2: Data Governance*.
- SWS Research completed the topic research *Securities AI Large Language Model: Representative Application Practices and Transformation Outcomes*, providing professional support for advancing the standardised application and value realisation of large language models in securities business.

Focusing on AI Industry Services, Advancing Financial Technology



In November 2025, the Company successfully hosted the "Shenwan Hongyuan 2026 Capital Market Strategy Conference: Special Session on AI Industry Development", and, together with relevant departments, jointly initiated the establishment of the "Xuhui District AI Fintech Ecosystem Alliance", creating an innovative collaboration platform focused on "AI + Finance". The Alliance brings together multiple stakeholders, including government, financial institutions, and technology enterprises, to promote the deep integration of cutting-edge technologies such as artificial intelligence and high-performance computing with financial application scenarios, and to improve the collaborative ecosystem for fintech development.



In terms of AI ethics risk management, the Company complies with ethical norms such as the *Interim Measures for the Management of Generative Artificial Intelligence Services*. It established an internal management system for algorithm security and continuously strengthened the development of science and technology ethics through measures such as prompt-based fine-tuning aligned with human preferences. It also progressively built AI safety guardrails to prevent related risks.

The Company focused on building a financial technology talent pool, and systematically enhanced employees' vision, knowledge and skills in financial technology through various forms, including internal and external training, technology sharing sessions, online courses, and technology competitions. Meanwhile, the Company closely integrated talent development with the practice of technology projects, guiding employees to solve problems in actual business and technology scenarios, and continuously cultivating interdisciplinary talents with both business understanding and technical capabilities. The Company selected key employees and managers to serve as mentors, adopting a "one-to-one" or "one-to-many" mentoring model to support newly hired and transferred employees in quickly integrating into their roles and continuously enhance the overall quality of the talent pool for financial technology.

Metrics and Targets

The Company clearly defines its fintech development targets, continuously monitors key metrics such as "the amount of investment in information technology" and "the number of information technology personnel", continuously enhances customer experience, optimises operational efficiency, and promotes innovative business development.

Fintech Empowerment Targets and Progress of Shenwan Hongyuan

Targets	Metrics	2025 Progress
Increase investment in the financial technology sector, accelerate the deep empowerment of business through technology, and strengthen resource sharing and collaborative cooperation in areas such as IT infrastructure and fintech talent.	<ul style="list-style-type: none"> Information technology investment amount Number of information technology personnel Number of information technology application innovation and migration projects for information systems 	<ul style="list-style-type: none"> In 2025, Shenwan Hongyuan Securities's information technology investment amounted to RMB1.107 billion. The Company had 989 information technology personnel. In 2025, the Company completed the information technology application innovation and migration of more than 40 information systems, and the big data platform completed the setup and data migration of an information technology application innovation cluster for 120 nodes.

Honours Received by the Company for "Fintech Empowerment" in 2025:



Note: The above awards were obtained in 2025.

Data Security and Customer Privacy Protection —

The Company attached great importance to data security and privacy protection and regarded them as the cornerstone of business development and the key to winning customer trust. Strictly following laws, regulations and relevant management standards, such as the *Securities Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Measures for the Management of Information Technology of Securities Fund Management Institutions*, the Company was committed to strengthening data protection mechanisms, improving information security levels, and cultivating first-class comprehensive financial service capabilities through standardised and refined management.

Main operational processes of the Company involving data security and customer privacy protection include data collection, data storage, data processing, data transmission, data sharing, data destruction, etc. The categories of data and customer privacy information include personally identifiable information (PII), financial records, etc.

Governance

The Company continues to improve its data security and customer privacy protection management system, establishes and refines its management structure, and formulates a number of internal standards and systems, including the *Procedures for Management of Investor Information Inquiry Service (Trial)*, the *Measures for Management of Internet Applications (Trial)*, the *Response Plan for Information Technology Emergencies*, the *Working Rules for Data Governance Working Group*, etc., so as to ensure the secure operation of networks and information systems. In 2025, the Company revised the *Personal Information Protection Management Measures (Trial)* and the *Data Quality Management Rules (Draft)*, further improved personal information protection measures, clarified the risk data management process, and enhanced data security management capabilities. The Company published the *Management Statement on Data Security and Privacy Protection*, which is applicable to business lines and subsidiaries of Shenwan Hongyuan Group and Shenwan Hongyuan Securities.

Data Security and Customer Privacy Protection Management Framework of Shenwan Hongyuan

Cyber and information security

- The Company established an organisational structure featuring "Party Committee - Executive Committee - IT Governance Committee - IT Department/IT Assurance Headquarters/IT Development Headquarters - Functional Departments."
- The members of the IT Governance Committee includes members of the Executive Committee, the Chief Information Officer of the Company, department heads, etc. The proportion of IT personnel is over 30%.

Personal information protection

- The Company established an organisational structure featuring "Executive Committee - Investor Rights Protection Committee and the IT Governance Committee - Personal Information Protection Special Working Group - Functional Departments".

Strategy

By improving its data security and customer privacy protection management system, the Company effectively prevents the risk of information leakage and enhances customer trust and market reputation. At the same time, the Company strengthens public confidence in financial institutions' ability to protect personal information and promotes the robust operation of the financial system.

The Company systematically carries out an analysis of the risks and opportunities related to data security and customer privacy protection, clarifying that, in the course of implementing data security and privacy protection management, the Company primarily faces risks arising from policy changes and technological evolution, while also presenting opportunities to enhance market competitiveness and the sustainable development of business.

Analysis of Risks and Opportunities in Data Security and Customer Privacy Protection of Shenwan Hongyuan

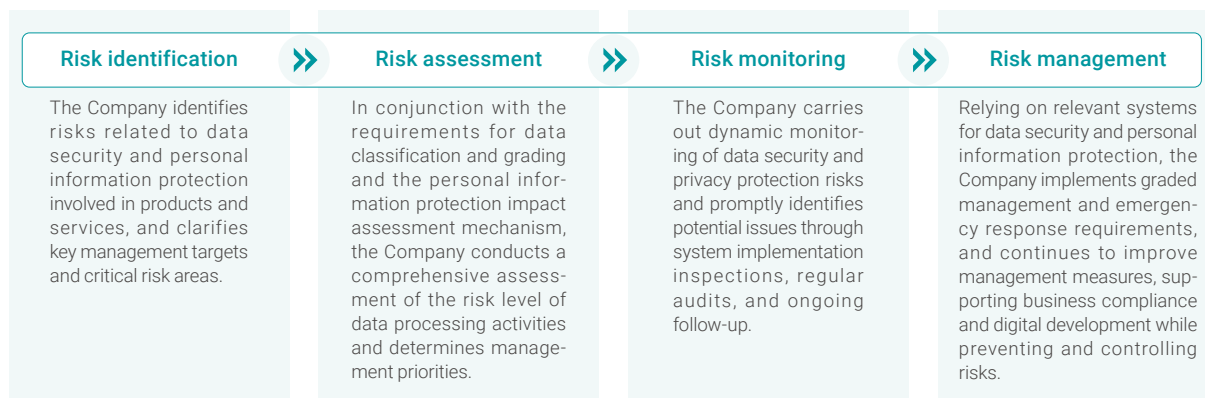
Main Risks and Opportunities	Specific Analysis	Scope of Impact	Financial Impact Analysis
Policy risk	Laws and regulations regarding data protection and privacy are becoming increasingly strict all over the world. Failure to update internal policies in a timely manner to comply with the latest regulatory requirements may result in legal sanctions and fines.	Medium and long term	<ul style="list-style-type: none"> Increase in operating costs Decrease in operating income
Technological risk	With the development of network attack methods and technologies, financial institutions face increasing security threats, including but not limited to hacker attacks, phishing software, etc. These threats may lead to the leakage of customer personal information, damage the reputation of the Company and cause a decrease in customer trust, ultimately affecting business development.	Medium and long term	<ul style="list-style-type: none"> Increase in R&D cost Decrease in operating income

With respect to the above risks, the Company has formulated and implemented corresponding management strategies, advanced a series of systematic and forward-looking initiatives, and continues to strengthen its data security and customer privacy protection management system. It improves the multi-layered protection mechanism, providing strong support for the Company's sound operations and long-term development.

Impacts, Risks, and Opportunities Management

According to the *Data Security Management Measures*, the *Personal Information Protection Management Measures (Trial)* and other documents, the Company implemented classified and graded management for data assets and personal information involved in its products and services. The Company also established a personal information protection impact assessment mechanism to conduct risk assessment and ongoing management of relevant data processing activities. The Company also improved requirements for data quality and data security management, and continued to enhance the systematic approach and effectiveness of data security and customer privacy protection management through a combination of institutional restrictions and process controls.

Management Process for Impacts, Risks and Opportunities in Data Security and Customer Privacy Protection of Shenwan Hongyuan



By establishing and improving data security and privacy protection mechanisms, enhancing independent R&D capabilities, improving security levels with new technologies, and strengthening talent team building, the Company has taken a series of comprehensive and in-depth management measures to prevent potential risks in the data security protection mechanisms.

Data Security Management Measures of Shenwan Hongyuan

Proactive/reactive measures

Proactive measures

- The Company closely integrated the network and information security monitoring resources of public security, cyberspace, communication management and securities regulatory departments to timely obtain network and information security monitoring and early warning information and improve the capability to prevent network attacks, virus intrusions, network theft, etc.
- The Company established prevention and warning mechanisms and conducted regular and irregular network and information security inspections and evaluations, to form inspection and evaluation reports and rectify existing problems within a specified time limit.
- The Company organised third-party vulnerability analyses, carried out two routine penetration tests and cyber drills each year, and strengthened the protection of internet assets and systems.

Reactive measures

- The Company formulated the *Response Plan for Information Technology Emergencies* to improve the organisational structure for response to emergencies. The Company established a three-level emergency response organisation for IT emergencies, consisting of the "Emergency Response Command Centre for Major Emergencies of the Company, the Emergency Response Leadership Group for Information Technology Emergencies, and the Emergency Response Group for Information Technology Emergencies," and set up two emergency response support and guarantee units: the "Emergency Response Technology Group" and the "Emergency Monitoring and Early Warning Group."
- The Company developed and implemented a systematic emergency drill plan. In conjunction with emergency plans and annual emergency arrangements, the Company organised various security drills in an orderly manner, actively participated in the annual industrial joint emergency drills of network security, and, through multiple formats including desktop drills, process drills, technical drills, and backup centre drills, continuously tested and enhanced its emergency response and handling capabilities.

Security system certification

- The Company actively promoted the certification of the information security system. Its information security management system has been certified by the ISO 27001 Information Security Management System. The service scope of the information security management system of the Company covers information security management activities carried out by the IT Assurance Headquarters and the IT Development Headquarters for the planning, design, development, implementation, operation and maintenance of the critical trading system, customer service system and internal control management system of the Company. The certification coverage ratio is up to 100%.

Internal and external inspection, evaluation and audit

- The Company conducts a special audit of IT management work every year, and entrusts an external professional institution to conduct a comprehensive audit of IT management every three years. The audit contents include IT governance, IT security management, IT operation and maintenance management, etc.
- The Company invites qualified third-party entities to conduct annual external certification audits of its information security management system. The audit scope includes information technology security management activities related to the planning, design, development, implementation, and operation/maintenance services provided by the IT Assurance Headquarters and IT Development Headquarters for the Company's core trading systems, customer service systems, and internal control systems.

The Company processes customer information in strict compliance with the principles of legality and legitimacy, clear purpose, selective consent, minimum sufficiency, full-process control, dynamic control, and consistency of rights and responsibilities. The Company has developed the *Privacy Policy of Shenwan Hongyuan Securities* (referred to as the *Privacy Policy*), clarifying management requirements for customer information collection, use and management permissions. Meanwhile, the Company continuously strengthens the protection of customers' sensitive data and privacy compliance management, embeds privacy protection requirements into the processes of various products and services, and effectively implements management measures for the protection of customer privacy.

Privacy Protection Management Measures of Shenwan Hongyuan

<p>Collecting customer information</p>	<ul style="list-style-type: none"> Clearly explain how to collect, use, store and protect customers' personal information, and take measures to minimise data collection and retention. Promise to delete data after the specified usage period and never collect personal data from third parties.
<p>Granting customer permissions</p>	<ul style="list-style-type: none"> Clarify the rights of customers in information management and the ways to realise these rights, including querying, copying, transferring, correcting and updating, deleting personal information, changing or revoking consent authorisation, cancelling securities/fund accounts, etc.
<p>Processing customer information</p>	<ul style="list-style-type: none"> Standardise customers' personal information entrusted for processing, provision, transfer and public disclosure. It is explicitly stipulated that it only provides personal information necessary for entrusted services to third parties and never uses this information for any other purpose. The Company may conclude strict confidentiality agreements with third parties entrusted to process customers' personal information, clarifying the responsibilities, processing matters, processing periods, processing nature, and processing purposes of both parties. The third party is required to process personal information only in accordance with the requirements of the Company and any other relevant confidentiality and security measures.
<p>Sensitive data protection</p>	<p>Strengthen access control and protection measures for sensitive data, and implement tiered management and technical safeguards for key processes such as data collection, transmission, storage, use and display:</p> <ul style="list-style-type: none"> Data collection: Establish comprehensive technical security safeguards during the collection process, including authentication and authorisation, collection monitoring, and log recording. Data transmission: Adopt verification technology, password technology, secure transmission channel and other measures to ensure the trustworthiness and controllability of the data transmission process. Authentication (user or device authentication) and auditing mechanisms should be set up for information systems involving data transmission. Data storage: Manage access permissions for IT infrastructure, such as servers, databases and terminals used to save data. The minimum permissions required for daily work should be allocated for the personnel needing to access infrastructure according to the principle of "minimum permissions." Data usage: Data should be accessed in the principle of "minimum permissions." It is required to strictly control data access permissions and prohibit unauthorised access and use. Data access is granted a read-only permission. The information system should save access information for trace auditing. Data display: Where personal information is displayed via interfaces (e.g., screens, paper), apply measures such as de-identification to the personal information that needs to be displayed.
<p>Privacy protection in product and service development</p>	<ul style="list-style-type: none"> Integrate personal information protection requirements throughout the entire process of planning, designing, developing, testing, and operating products and services, and implement relevant protection requirements in parallel during system architecture reviews and the development stage. Conduct the personal information protection impact assessment (PIA) and compliance testing before products and systems go live. After go-live, continuously implement privacy protection monitoring and management, and promptly identify and respond to potential risks. Implement measures such as environment isolation, data desensitisation, and security testing during development and operation and maintenance. Set privacy notices and risk disclosures through the APP and system terminals to guide customers to use relevant functions safely and in compliance.
<p>Privacy compliance management</p>	<ul style="list-style-type: none"> The competent authority of the relevant APP is responsible for organising the formulation of the <i>Privacy Policy</i>, and is responsible for updating the relevant content of the <i>Privacy Policy</i> when the matters recorded in the <i>Privacy Policy</i> change. Prior to publication, internal approval procedures such as compliance review should be carried out. The <i>Measures for Accountability for Employees' Violations</i> clearly set out the accountability mechanism for the unauthorised use, leakage, or improper handling of customer information, under which corresponding disciplinary actions, accountability measures, and rectification requirements will be adopted depending on the severity of the violations.

Note 1: The *Privacy Policy* applies to various products or services provided by Shenwan Hongyuan Securities, including but not limited to business premises, APP, enterprise WeChat, specific links or installation toolkits and other channels.

The Company attaches great importance to enhancing its capabilities in data security and customer privacy protection. Relying on regular and systematic promotion and education mechanisms, the Company continuously improves all employees' compliance awareness and execution standards. The Company regularly communicates regulatory requirements and typical cases relating to investor information protection to employees by issuing the *Legal Compliance Information Newsletter*, guiding employees to accurately understand privacy protection responsibilities and compliance boundaries; at the same time, the Company regularly organises information security and customer privacy protection training each year, continuously strengthening employees' awareness and capability development.

Actively Conducting Training on Information Security and Customer Privacy Protection



In 2025, the Company organised and delivered seven regular training sessions and two special training sessions focused on information security and customer privacy protection. The trainees covered all employees (including contractors). The content covered key areas including mobile security, AI security, and privacy protection, continuously enhancing employees' security awareness and compliance capabilities.



 Training on Cyber Offensive and Defensive Drills



To ensure the standardisation and security of data throughout transmission, storage, and use, and on the basis of strengthening strict internal controls, the Company extended data security management requirements to supplier cooperation, and established a closed-loop management mechanism covering access, supervision, and rectification, ensuring that all data interacting with the Company undergoes stringent security checks and processing, thereby effectively reducing data security risks arising from external cooperation.

Specific Measures of Shenwan Hongyuan for Supplier Data Security Management

Policy compliance

- In the cooperation agreements with suppliers and partners, it is explicitly required to comply with the data protection policy of the Company and conduct regular data security reviews, including data integrity, confidentiality, availability and other aspects.

Admission inspection

- Strictly establish admission requirements for third-party service agencies, such as external intermediaries and IT service agencies, comprehensively examine the personnel, qualifications, technology, and reputation of relevant agencies, and consider their capabilities to protect investor information as an important evaluation indicator.

Supervision and inspection

- Supervise and manage the performance of third-party service agencies in protecting investor information. Where any non-compliant storage or use of investors' information is identified, these agencies are ordered to immediately correct and destroy the relevant data. If the third party refuses to cooperate, the Company should immediately cease cooperation and safeguard its own and investors' legitimate rights and interests in accordance with the law.
- Develop contingency plans covering scenarios such as interruptions in the information technology supply chain and supply chain attacks, and conduct drills. Strengthen supervision and inspections of suppliers, promptly identify and rectify supply chain risk hazards, and achieve risk management across the full lifecycle of supply chain products and services.

Metrics and Targets

To effectively enhance the management quality and effectiveness of data security and privacy protection, and to ensure that the Company steadily moves towards building a safer and more reliable digital environment, the Company set clear management targets and established relevant monitoring metrics focusing on data security training, cyber offensive and defensive drills, and customer privacy leakage incidents. In 2025, all management targets have been achieved.

Data Security and Customer Privacy Protection Targets and Progress of Shenwan Hongyuan

Targets	Metrics	2025 Progress
<ul style="list-style-type: none"> • All employees receive data security training at least once a year • Maintain the number of customer privacy leakage incidents at 0 • Regularly conduct cybersecurity offensive and defensive drills 	<ul style="list-style-type: none"> • Number of data security training sessions • Data security training coverage rate • Number of customer privacy leakage incidents • Number of cyber offensive and defensive drills 	<ul style="list-style-type: none"> • The Company carried out seven regular training sessions and two special training sessions, with trainees covering all employees. • The Company had no incidents of data security or customer privacy leakage. • The Company carried out two cyber offensive and defensive drills.

Forging Ahead Towards Innovation, Boosting Green Development

Influenced jointly by human activities and natural factors, the world is undergoing climate change characterised by global warming. Addressing climate change has become a practical and urgent task facing all countries.

In 2025, the Company continued to improve its climate-related risk management system of "Governance-Strategy-Impacts, Risks and Opportunities Management-Metrics and Targets". The Company implemented the identification, analysis, and management of climate-related impacts, risks, and opportunities, and made coordinated efforts across both internal operations and financial services, actively putting into practice climate change mitigation and adaptation actions.

Key Topics in this Chapter

Responding to Climate Change, Developing Green Finance, Devoting to Responsible Investment



Responding to Climate Change

In active response to the national "carbon peaking and carbon neutrality" goal and the strategic deployment for addressing climate change, as well as in accordance with the disclosure requirements for climate-related issues of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, and with reference to the disclosure frameworks and recommendations of *IFRS Sustainability Disclosure Standard 2 – Climate-related Disclosures (IFRS S2)* and the *Corporate Sustainability Disclosure Standard 1: Climate (Trial)* of the Ministry of Finance, the Company established a climate management system of "Governance-Strategy-Impacts, Risks and Opportunities Management-Metrics and Targets", and implemented the management of climate-related risks and opportunities across corporate operations and financial business.

Governance

The Company has deeply integrated environmental and climate risk management into its ESG governance system, and has continuously improved the environmental and climate risk management framework. The Company formulated and released the *Measures for Management of Environmental and Climate Risks of Shenwan Hongyuan Group Co., Ltd. (Trial)*, clarifying the responsibilities of the Board of Directors, executive committee and operational departments regarding environmental and climate risk management.

Management Structure of Shenwan Hongyuan for Climate

Board of Directors

- To assume the ultimate responsibility for the Company's environmental and climate risk management, and have decision-making authority on ESG strategic goals, plans and major topics, including the topic of "Responding to climate change."
- To review the Sustainability/Environmental, Social and Governance Report every year, including climate-related policy development and progress in achieving targets.

Executive Committee

- To assume the primary responsibility for environmental and climate risk management.
- To develop environmental and climate risk management practices and other management systems, and clarify their respective responsibilities, so that environmental and climate risk management requirements are effectively communicated, conveyed and implemented within the Company.

Operating Departments

- To assume the direct responsibility for environmental and climate risk management.
- To be responsible for the daily risk control of environmental and climate risks, implement risk management requirements in the process, identify and assess the extent and likelihood of environmental and climate risks affecting the relevant business, report and resolve relevant risks in a timely manner.

Strategy

In 2025, with reference to the categorisation and definitions of climate risks by external authoritative institutions, the Company reviewed climate change-related risks and opportunities and ranked them across two dimensions, namely the probability of occurrence and the extent of impact, thereby developing a climate-related risk and opportunity matrix. The Company identified policy and legal risks, market risks, as well as market opportunities and product and service opportunities, as the climate-related risks and opportunities with a higher impact on the Company.

Climate-related Risks and Opportunities Matrix of Shenwan Hongyuan



The Company fully recognised the far-reaching impact of climate change, incorporated the management of climate-related topics into its development plan, and continued to improve the relevant climate management working mechanisms. Based on its operations and financial business activities, the Company focused on analysing the two identified climate-related transition risks (policy and legal risk, market risk) and two climate-related opportunities, assessing the time horizon of their impacts and their potential financial impacts on the Company's operations and business, and implementing targeted management measures.

Analysis of Climate-related Risks and Opportunities of Shenwan Hongyuan

Main Risks	Specific Analysis	Scope of Impact	Financial Impact Analysis
Policy and legal risks	<ul style="list-style-type: none"> With the continuous promotion of the "carbon peaking and carbon neutrality" goal in China, stricter requirements have been put forward for financial enterprises to disclose climate-related information and launch sustainable financial products. Specifically, the Shenzhen Stock Exchange issued the <i>Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange – Sustainability Report (For Trial Implementation)</i> and supporting guidelines for the preparation of sustainability reports, clarifying disclosure requirements for the topic of "Climate Response"; the Hong Kong Stock Exchange also added Part D under the <i>ESG Reporting Code</i> to regulate corporate climate change management and information disclosure; and the Ministry of Finance and eight other departments jointly issued the <i>Corporate Sustainability Disclosure Standard 1: Climate (Trial)</i>. As the first specific standard under the <i>Corporate Sustainability Disclosure Standards—Basic Standard (Trial)</i>, it was, on the whole, aligned with IFRS S2. With the introduction of industrial environmental protection policies, e.g., "high pollution, high energy consumption and overcapacity" industry, the invested enterprises or customers may face violations, penalties, or lawsuits due to their inability to meet policy and regulatory requirements, which may affect their business qualifications, once relevant policies become stricter in the future. 	Short, medium, and long term	<ul style="list-style-type: none"> Increase in operating costs Increase in compliance cost Decrease in operating income Decrease in portfolio value
Market risk	<ul style="list-style-type: none"> The transition to a low-carbon economy may affect the supply and demand structure of the market, resulting in a decrease in demand for high-carbon products and services, stranded brown assets, issuer defaults and other risks. All these may further lead to a decrease in customers' debt repayment capability or deterioration of the operating conditions of invested enterprises, posing an impact on the financial business of the Company. If the Company cannot meet the market demand for climate-friendly products, e.g., green financial products, it may lead to a decline in the market competitiveness of the Company. 	Short, medium, and long term	<ul style="list-style-type: none"> Decrease in operating income Decrease in portfolio value
Main Opportunities	Specific Analysis	Scope of Impact	Financial Impact Analysis
Market opportunities	<ul style="list-style-type: none"> With the introduction of policies and standards related to green finance, green finance ushered in a new round of development opportunities in China. Following the development trend of the green finance market, the Company has timely increased the top-level design of green finance and explored new markets for green investment/financing and carbon finance business, which may be conducive to increasing the revenue generated by the green finance business. 	Medium and long term	<ul style="list-style-type: none"> Increase in operating income Increase in portfolio value
Products and services	<ul style="list-style-type: none"> China has issued relevant policies, such as the <i>Notice on Launching Pilot Projects for Climate Investment and Financing</i> and the <i>Interim Regulations on the Management of Carbon Emission Trading</i>, and the climate-related investment, financing and carbon finance business has gained greater and more orderly development space. If seizing the opportunity of climate-related products and services and actively creating climate finance and carbon finance-related products and services, the Company may bring greater development opportunities for the related finance business. 	Medium and long term	<ul style="list-style-type: none"> Increase in operating income Increase in portfolio value

The Company combined the identification of climate-related risks and opportunities with an analysis of their financial impacts to carry out a climate resilience assessment. The assessment results showed that the Company's overall climate resilience was relatively strong. The Company has made good preparations for various risk prevention measures, and it has formulated a clear strategic plan to capitalise on climate-related opportunities.

The Company incorporated topics such as responding to climate change into the *Action Plan*, formulated climate adaptation and mitigation actions in response to the above risks and opportunities, and developed a climate transition plan deeply integrated with internal operations and financial business, comprehensively enhancing the Company's climate resilience.

Shenwan Hongyuan Climate-related Key Actions and Transition Plan

Climate adaptation action

Operations:

- The Company developed the *Emergency Management Measures for Sudden Events* to respond to extreme weather events properly.

Business:

- The Company established and improved the ESG risk management system for investment and financing business, and effectively managed and controlled the climate and ESG risks faced in business operations.

Climate mitigation action

Operations:

- The Company gradually incorporated Scope 3 GHG Emissions in information disclosure and considered substantive category identification work for Scope 3. Combined such factors as availability and reliability of statistical data to gradually carry out accounting and disclosure around the category of substantive Scope 3.
- The Company further improved the corporate carbon management system and exploratively established quantitative goals for energy conservation and carbon reduction management.
- The Company actively carried out green and low-carbon office practices and planned to promote measures, such as the replacement of green and clean energies and the digital transformation of energy applications, in the future.

Business:

- Focused on dimensions, such as "research, products, financing, investment, trading, cross-border, and risk control" to build a comprehensive carbon finance service system. Relying on the self-operated carbon emission trading qualification and taking carbon emission trading business as the starting point, the Company has been actively expanding the carbon trading business, and promoting the formation of a carbon finance business model with Shenwan Hongyuan characteristics.

Climate transition plan

- The Company formulated the *Measures for Management of Environmental and Climate Risks of Shenwan Hongyuan Group Co., Ltd. (Trial)*, which incorporates environmental and climate risks into the comprehensive risk management system and clarifies the environmental and climate risk management principles of "comprehensiveness, foresight, prudence, and cost-benefit matching."
- Shenwan Hongyuan Securities has been continuously improving its climate risk and opportunity management system, established management processes for climate-related risks and opportunities, and required relevant organisations to closely monitor the climate-related risk management of invested enterprises and customers and incorporate the inclusion of climate-related factors in the risk management process of investment and financing business.

Impacts, Risks, and Opportunities Management

In order to cope with the risks brought by climate change and promptly seize the opportunities related to climate change, the Company has incorporated environmental and climate risks into its comprehensive risk management system, and clarified the climate-related risk management process of "risk identification and assessment - risk monitoring and warning - risk response and reporting" in the *Measures for Management of Environmental and Climate Risks (Trial)*, to effectively identify, assess, monitor, warn, respond and report the environmental and climate risks faced by the Company and related business, and ensure that all risks are measurable, controllable and tolerable.

Climate-related Risk Management Process of Shenwan Hongyuan

Risk identification and assessment

- Establish an environmental and climate risk identification mechanism to proactively identify and promptly recognise environmental and climate risks faced by the Company and related businesses.
- All business divisions should incorporate the contents related to environmental and climate risks in the scope of due diligence based on the characteristics of business risks, to fully assess the level of environmental and climate risks faced by the business.
- To prevent traditional financial risks, such as market risk, credit risk, liquidity risk, operational risk, legal compliance risk, reputation risk, etc., caused by environmental and climate risks through transmission, each division should fully evaluate the correlation with other types of risks and strengthen collaborative management of various risks to achieve the unity of overall risk management objectives.



Risk monitoring and warning

- Each business division dynamically monitors environmental and climate risks faced by related businesses based on their scale, nature, complexity, risk preferences and other factors.
- Environmental and climate risk factors related to relevant business should be incorporated into risk management tools, such as negative lists and internal rating systems. In accordance with their respective responsibilities for risk management in investment business, the Legal Risk Control Department and the Investment and Management Department mainly concern and independently monitor the environmental and climate risks faced by the existing investment business of the Company and provide timely alerts and warnings for risk information and events (if any).



Risk response and reporting

- Relevant business divisions should promptly report the environmental and climate risks faced by the business, develop risk response plans, and take the measures of early withdrawal and business scale reduction, when necessary, to promptly resolve and process the risks.
- When environmental and climate risk events occur in related businesses, each division shall report them in accordance with the risk event reporting and disposal management regulations of the Company.

In response to the identified climate-related risks and opportunities, the Company actively takes action measures, based on the development of green finance and its own operations, to further address the challenges and opportunities brought about by climate change.

In terms of green and carbon finance business, the Company continuously engages in green financing, green investment, carbon finance, green research and other business types to deepen the effective integration of financial business with "carbon peaking and carbon neutrality" goals. (For specific details, please refer to the sections "Developing Green Finance" and "Devoting to Responsible Investment")

In promoting green and low-carbon operations, the Company, as a financial institution, mainly utilises energy sources, such as natural gas, fuel consumption for official vehicles, and purchased electricity in its daily operations. The Company strictly complies with laws and regulations including the *Environmental Protection Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*. In 2025, the Company issued the *Notice on Practising the Concept of Green and Low-Carbon Development and Further Advancing Energy Conservation and Emission Reduction and Other Related Work*, encouraging employees to practise low-carbon actions of saving water and electricity and turning off lights, computers, equipment, and taps when leaving. The Company also carried out work in areas including electricity conservation, paperless office operations, low-carbon travel, green data centre construction, and green building certification, so as to achieve energy conservation and emission reduction. During the reporting period, the Company was not subject to any major administrative penalties imposed by ecological and environmental authorities due to environmental incidents.

Key Practice of Shenwan Hongyuan in Energy Management

Energy and power saving	<ul style="list-style-type: none"> The entire building lighting of the Company is controlled by a building automation system. The lighting is normally open during working hours on weekdays, and only basic and emergency lighting is retained during other times and holidays. LED energy-saving lamps are gradually used to replace old and high-consumption lamps. Regional power-off measures are adopted and all other electrical appliances are turned off during weekends and holidays, except for safeguarding trading, data and other equipment. In architectural design, efficient and energy-saving design principles and technologies should be adopted as much as possible, such as environmentally friendly materials, efficient insulation materials, intelligent control systems etc.
Paperless office	<ul style="list-style-type: none"> The Company makes full use of videos, telephone calls, and other means to promote the use of online meetings, encourages double-sided printing and electronic seals, and reduces paper usage.
Low-carbon transportation	<ul style="list-style-type: none"> The Company actively promotes green and low-carbon travel for employees and encourages the use of public transportation. Based on the <i>Measures for Vehicle Management</i>, the management mechanism for the use of public vehicles has been established, including application and approval processes, cost accounting rules, and standards for the disposal of old vehicles.
Green data centre construction	<ul style="list-style-type: none"> The three data centres under the Company's layout of "two locations and three centres" are all leased data centres. The Shanghai Jinqiao Data Centre has installed heat exchangers to recover heat from the data centre computer room modules for use as an air-conditioning heat source for the production support area, corridors, and other areas, thereby reducing air-conditioning operating time in winter. The Dongguan Southern Data Centre has established an energy management system, adopted energy-saving equipment such as variable-frequency energy-saving motors and intelligent lighting, and implemented energy-saving measures including photovoltaic energy storage and purchasing green electricity.
Green building certification	<ul style="list-style-type: none"> The Company has renovated the office building in Beijing in accordance with international and domestic green building standards and passed LEED certification, comprehensively promoting energy conservation and emission reduction in the office space.

Metrics and Targets

To effectively enhance the effectiveness of climate-related management, and focusing on green finance, carbon finance and green and low-carbon operations, the Company starts from both the business and operations, establishes qualitative management targets such as "improving energy use efficiency" and "reducing greenhouse gas emissions", and continuously monitors such metrics as "green finance scale," "proportion of sustainable related product revenue to the operating revenue," "green bond/climate bond/sustainable bond related investment scale and growth rate," "total carbon emissions," "per capita carbon emissions," "electricity consumption," etc. For details, please refer to *Development Green Finance* and *ESG Data Table and Notes*.

- SWHYHK has set a total management target of power consumption control as 756,630 kWh in 2025. The power consumption of SWHYHK was 662,263 kWh in 2025. The power consumption has shown a downward trend year by year. So, it is smoothly advancing the goal.

Developing Green Finance

Governance

The Company implements services supporting green development and the "carbon peaking and carbon neutrality" strategy, focusing on key areas of green finance, innovating service models, and increasing financial support.

The Company has incorporated green finance into serving national strategies and key sustainable development work, clarified the work focus, key metrics and targets, responsible units of green finance business, and established the "Service Group for Green Finance". The Service Group is led by Hongyuan Huizhi, the Fixed Income Financing Headquarters of Shenwan Hongyuan Securities, and Shenwan Hongyuan Financing Services, with various business departments, branches and subsidiaries as member units. It is responsible for taking the lead in implementing the targets and initiatives related to serving national strategies in the Company's strategic plan, and for taking the lead in providing training on and promoting successful experience and models in green finance.

Strategy

The Company always upholds its founding commitment to "Finance Serving the Nation", places the development of green finance in a prominent position at the strategic level, and remains committed to becoming a bridge connecting domestic and overseas green resources through the development of green finance business.

In 2025, the Company analysed and concluded that "Developing Green Finance" had both financial materiality and impact materiality, and identified risks and opportunities with relatively significant impacts on the Company's business, such as policy change risk, market risk, market demand growth opportunity, and earnings stability opportunity. The Company analysed the time horizon and financial impacts of the relevant risks and opportunities, thereby clarifying the corresponding management strategies, and remained committed to leveraging professional financial services to support green and low-carbon development.

Risk and Opportunity Analysis of "Developing Green Finance" in Shenwan Hongyuan

Main Risks	Specific Analysis	Scope of Impact	Financial Impact Analysis
Policy change risk	<ul style="list-style-type: none"> The policies related to green finance are still being continuously improved and adjusted. The standards for recognising green projects may be changed by the government/regulatory agencies. If the project supported by bond investment initially meets green standards, but is no longer recognised as a green project due to policy adjustments, it may be affected in terms of tax incentives, subsidies and others. Changes in environmental protection policies may also lead to fluctuations in the market price of green projects. For example, adjustments to subsidy policies for renewable energy will alter the market valuation of projects such as wind power and photovoltaics. If the Company fails to adjust its business in a timely manner in accordance with the requirements of the new policy standards, it may face issues such as business restrictions. 	Medium and long term	<ul style="list-style-type: none"> Increase in operating costs Decrease in operating income
Market risk	<ul style="list-style-type: none"> The market price of green projects is influenced by various factors. For example, the current carbon market foundation is relatively weak, the costs of business development and risk management are high, and the legal attributes of carbon assets as well as the rules for pledge registration are unclear, resulting in greater complexity in the design of carbon finance products and higher potential credit risks. 		<ul style="list-style-type: none"> Increase in product development costs Decrease in portfolio value

Main Opportunities	Specific Analysis	Scope of Impact	Financial Impact Analysis
Market demand growth opportunity	<ul style="list-style-type: none"> As society attaches increasing importance to environmental protection, investors' demand for green products increases. Institutional investors, such as pension funds and sovereign wealth funds, are gradually increasing their investments in green bonds and green enterprises in the secondary market. Meanwhile, in order to adapt to the trend of low-carbon economy and sustainable development, the enterprises seek green transformation. The green bond, as an important financing tool, has seen an increase in market demand and attention year by year. By seizing the opportunities and accelerating innovation in green financial products, the Company can gain a first-mover advantage and expand into new markets. 	Short, medium, and long term	<ul style="list-style-type: none"> Increase in operating income Increase in portfolio value
Revenue stability opportunity	<ul style="list-style-type: none"> Many green projects are characterised in long-term stable revenue. For example, once being completed and put into operation, urban sewage treatment and centralised heating projects may have stable cash flow income for a long time, providing investors with relatively stable returns and to some extent resisting the risk of economic cycle fluctuation. The Company actively invests in high-quality green projects, improves its existing business system, and enhances the overall stability of income. 		<ul style="list-style-type: none"> Increase in operating income

The Company continues to support the capital market in serving high-quality economic development, guides financial resources to cluster towards green and low-carbon industries, and facilitates the transformation of the industrial structure towards green and high-end development. It supports the development of green industries by providing financing services for green enterprises, optimising the direction of green investment, and developing carbon finance business. The Company provides green enterprises with integrated services covering "financing, investment, research, and advisory", and builds a "capital ladder" for the upgrading of green industries.

Every year, the Company formulates an annual key work plan. The *2025 Work Plan for Serving National Strategies* clearly requires increasing investment and financing in the field of green finance and regarding the implementation of business as a performance assessment indicator for relevant teams. For specific strategic information, please refer to the section "Strategy" in the chapter *"Building China into a Financial Power, Serving National Strategies"*.

Impacts, Risks, and Opportunities Management

To manage green finance-related risks and opportunities, the Company has established a comprehensive risk management process. For details, please refer to the section *"Impacts, Risks, and Opportunities Management"* in the chapter *"Building China into a Financial Power, Serving National Strategies"*.

The Company advances its green finance business across various areas, including green financing, green investment, carbon finance, and green research, strengthens product innovation, and provides the market with diversified green financial services.

Green financing

The Company actively supports the green development strategy. By means such as equity and debt financing, the Company provides solid capital support for the green transition and broadens financing channels for green enterprises.

Assisted Shenergy in the Public Offering of Carbon Neutrality Green Technology Innovation Rural Revitalisation Perpetual Corporate Bonds with Extension Options



In 2025, Shenwan Hongyuan Securities, as the lead underwriter, successfully supported Shenergy in the public offering of carbon neutrality green technology innovation rural revitalisation perpetual corporate bonds with extension options, raising RMB1 billion. All proceeds were used for the construction of the 2 million kW photovoltaic project in Tacheng and Hoboksar Mongol Autonomous County, Xinjiang.

After the project is completed and put into operation, the annual power generation is expected to exceed 1 billion kWh, continuously delivering large-scale clean electricity to the power grid. While effectively safeguarding regional energy supply, it will significantly optimise the energy mix and promote the large-scale development of new energy. Based on the national standard coal consumption benchmark for power supply by thermal power plants, the project is expected to save approximately 970,000 tonnes of standard coal and reduce carbon dioxide emissions by approximately 2 million tonnes each year, which is of great significance for advancing the "carbon peaking and carbon neutrality" goals, improving the ecological environment, and promoting high-quality local economic and social development.

Assisted CGN Wind Power Co., Ltd. in Issuing Green Technology Innovation Bonds



In 2025, Shenwan Hongyuan Securities successfully assisted CGN Wind Power Co., Ltd. in issuing green technology innovation bonds, raising RMB3 billion in total. Of which, RMB610 million was used to refinance existing project loans for the "CGN Huizhou Port Offshore Wind Power Project", and RMB1,382 million was used for the construction and operation of the "CGN Shanwei Houhu Offshore Wind Power Project".

As the first million-kilowatt offshore wind power base in the Guangdong-Hong Kong-Macao Greater Bay Area, the CGN Huizhou Port Offshore Wind Power Project had a total installed capacity of 1 million kW and an annual power generation of approximately 3 billion kWh. It could reduce standard coal consumption by approximately 1 million tonnes and cut carbon dioxide emissions by approximately 2.35 million tonnes each year on an equivalent basis, providing important support for the Guangdong-Hong Kong-Macao Greater Bay Area in achieving its "carbon peaking and carbon neutrality" goals.

Assisted Shandong Energy Group in the Successful Issuance of Green USD Bonds



In January 2025, SWHYHK assisted Shandong Energy Group Co., Ltd. (referred to as "Shandong Energy Group") in successfully issuing three-year senior unsecured green USD bonds, with an issuance size of USD250 million. This bond was Shandong Energy Group's first offshore green USD bond, and the proceeds were earmarked for green industrial projects such as wind power, biomass power generation facilities, and power transmission and distribution infrastructure, promoting the optimisation and upgrading of the energy structure.

Assisted Shida Shinghwa's Private Placement



In August 2025, Shenwan Hongyuan Financing Services, as the sponsor and joint lead underwriter, supported Shida Shinghwa Advanced Material Group Co., Ltd. (referred to as Shida Shinghwa) in successfully completing the issuance of A shares to specific investors, raising total gross proceeds of RMB1 billion.

Shida Shinghwa is a leading enterprise in China's lithium battery electrolyte solvent sector, with products widely used in key fields such as new energy power batteries and energy storage systems. The proceeds from this fundraising will be used for the 220,000 tonnes/year integrated lithium battery materials production and R&D project, the 100,000 tonnes/year liquid lithium salt project, the 11,000 tonnes/year additives project, and to supplement working capital. Upon completion of these projects, the enterprise will achieve a comprehensive upgrade from raw material preparation and product manufacturing to technology development, injecting strong momentum into the industry's green and low-carbon transition.

Green investment

The Company focuses on sectors such as clean energy and green materials, increases investment in green projects, and proactively advances the deployment of special funds for green industries, thereby supporting the green transformation of the economy.

Invested in Huaneng Guicheng Trust Hengyuan Xinneng Wind Power Pre-REITs Project



In November 2025, the Company invested in the Huaneng Guicheng Trust Hengyuan Xinneng Wind Power Pre-REITs project, and the project will ultimately be invested in the construction of the Zhangbei Fengtai 500 MW Wind Power project. This project forms part of Zhangjiakou's "integrated source-grid-load-storage" carbon neutrality demonstration project. Investment in wind power generation projects will help China achieve its carbon peak and carbon neutrality goals, and implement the philosophy of green development.

Invested in Sustainability-linked Medium-term Notes



In 2025, Shenwan Hongyuan Securities invested in the "24 Water Resources 11 MTN002 (Sustainability-linked)" medium-term notes, helping the enterprise secure more adequate funding sources. The enterprise of these medium-term notes pre-set the key performance indicators (KPIs) and the sustainable development performance targets (SPTs) as "overall comprehensive energy consumption per RMB10,000 of operating income from 1 January 2025 to 30 June 2026 not exceeding 9,550 grams of standard coal per RMB10,000 (on the basis that the comprehensive energy consumption per RMB10,000 of operating income of Sinohydro Bureau 11 in 2023 was 10,518.94 grams of standard coal per RMB10,000)". If the issuer failed to achieve the SPTs as agreed, the coupon rate of the notes would be increased by 30 BPs in the third interest accrual year (FY2026-FY2027) within the first cycle of the notes.

Invested in Westwell



In October 2025, Shenyin & Wanguo Investment, as the lead investor, completed an F+ round of financing in Shanghai Westwell Technology Co., Ltd. (referred to as "Westwell"), with an investment amount of RMB50 million, and in December, the Company innovatively used an SPV structure to make an additional investment of RMB40 million.

Westwell takes an "Intelligent + Green" strategy as its core, and has successfully implemented smart port projects in 28 countries and regions worldwide through its independently developed autonomous driving technology, digital-intelligence platforms, and energy services. This investment is a typical example of the Company's continued practice of green finance.

Establishment of a Dedicated Fund for Lingxing



In 2025, Shenyin & Wanguo Investment registered and established the RMB160 million "Shenwan Fuzhou Fund", which was dedicated to investment in Nanjing Lingxing Technology Co., Ltd. (referred to as "Lingxing Technology"). Lingxing Technology's principal business is autonomous-driving ecosystem operations, and it has significant technological advantages in the smart mobility sector, aligning with the country's green transformation and development. The establishment of this dedicated fund was another important initiative for the Company to develop green finance.

Carbon Finance

The Company promotes the roll-out and implementation of carbon finance products through diversified channels. Since obtaining approval in early 2023 for proprietary participation in carbon emission allowances business, the Company has expanded a range of business tools including carbon allowance repurchase, CCER emission reduction trading, and carbon emission allowance trading, thereby providing in-depth support for the green transition of real economy enterprises. Meanwhile, the Company conducts training related to carbon finance to cultivate talent for carbon finance business.

Actively Participated in the Development of the Carbon Market



In 2025, Shenwan Hongyuan Securities actively participated in the development of the carbon market. It submitted to the policy-making authority of the Ministry of Ecology and Environment *Recommendations on Introducing a Market Maker System into the National Carbon Market*, collaborated with the Shanghai Environment and Energy Exchange and industry peers to complete the *Research Report on Carrying Out Carbon Repo Business in the National Carbon Emission Allowance Trading Market*, and participated in the design and optimisation of the *Guangdong Province Online Carbon Emission Allowance Repo Business Plan*. Meanwhile, Shenwan Hongyuan Securities was invited to attend internal research meetings and seminars organised by relevant ministries and commissions on topics such as the financialisation of the carbon market and enhancements to carbon market regulation, and actively participated in discussions on carbon market-related mechanisms.

Successful Implementation of the First Newly Issued CCER Emission Reduction Trading



In March 2025, Shenwan Hongyuan Securities successfully implemented the Company's first newly issued CCER emission reduction trading on the Beijing Green Exchange, marking a solid step forward in the field of green finance. The CCER market is an important component of the national carbon emissions trading market. Shenwan Hongyuan Securities attached great importance to the resumption of trading in the CCER market, continued to track the filing and issuance progress of the first batch of CCER projects after the resumption of the mechanism, and successfully completed the Company's first new CCER transaction on the first day of listing.

Implementation of the Company's First Carbon Repurchase Trading in the Hubei Carbon Market



In April 2025, Shenwan Hongyuan Securities successfully completed the Company's first carbon asset repurchase trading with a new building materials company in the Hubei carbon market. This represented an innovative breakthrough in leveraging the Company's professional strengths to support the green and low-carbon transformation of the real economy.

In this business, Shenwan Hongyuan Securities conducted in-depth research into the new building materials company's carbon asset position and financing needs, and tailored a carbon asset repurchase plan. This supported the enterprise in upgrading and renewing environmental protection equipment, adding distributed photovoltaic installations, increasing the proportion of green electricity used, and reducing production emissions to achieve synergistic efficiency gains in both pollution and carbon reduction. This transaction effectively met the enterprise's short-term funding needs, supported the enterprise's green, low-carbon, and high-quality development, and improved the liquidity of carbon allowances through market-based mechanisms, thereby realising value discovery and optimising allocation of carbon assets.

Conducted a Carbon Market Themed Lecture at the School of Energy and Power Engineering, Dalian University of Technology



In November 2025, Shenwan Hongyuan Securities collaborated with the School of Energy and Power Engineering, Dalian University of Technology to host a special lecture on progress in China's carbon market, with the aim of bringing practical experience from the carbon finance market into the campus and deepening industry-education integration.

This lecture focused on the latest developments in global and national carbon market development, outlined China's policy trajectory from the proposal of the "carbon peaking and carbon neutrality" goals to the official launch of the national carbon emissions trading market, provided an in-depth interpretation of key institutional policy documents, and concentrated on the operational mechanism of the carbon market, sharing the Company's risk management strategies for participating in carbon trading and business models for carbon asset management.

Green Research

Leveraging its in-depth research and investment strengths, the Company promotes green-related research. Through initiatives such as publishing the white paper on the ESG evaluation system for central enterprises and releasing a series of ESG research reports, the Company accelerates the development of a green finance ecosystem.

Released the *White Paper on the ESG Evaluation System for Central Enterprises in 2025*



Shenwan Hongyuan worked with analysts from various industries to jointly establish a "China-Characteristics ESG" research team. In 2025, based on listed central enterprises, the research team focused on ten major industries, namely transportation, property, petrochemicals, coal, construction, non-ferrous metals, automobiles, public utilities, power equipment, and building materials. In conjunction with the ESG disclosure requirements of the three stock exchanges, the research team conducted independent ESG ratings of A share listed central enterprises, and prepared and published the *White Paper on ESG Evaluation System for Central Enterprises in 2025*.

White Paper on ESG Evaluation System for Central Enterprises in 2025



Published ESG Series Research Reports



In 2025, SWS Research published more than 30 ESG series research reports, with topics covering ESG, the carbon market, and the "Five Key Areas of Finance", attracting significant attention from investors. Key reports included *China's Carbon Market: Market Expansion, Innovative Products Invigorate Market Vitality - Carbon Market Series Research Report IV*, *China's Green Certificate Market Will Enter a High-Quality Development Stage - Carbon Market Series Research Report V*, *Transition Finance Supports High-Carbon Enterprises in Achieving Low-Carbon Development - Carbon Market Series Research Report VI*, and *Hong Kong Monetary Authority Introduces New ESG Regulations, with Classification-based Restrictions to Curb Greenwashing - Commentary Released by the Hong Kong Monetary Authority on the "Hong Kong Taxonomy for Sustainable Finance"*, etc.

Participation in an Energy Industry Exchange Meeting



In December 2025, Huang Hao, General Manager of the Group Company, was invited to attend the "2025 Energy Industry Listed Companies and Investors Exchange Meeting" themed "Low-carbon Transition, Exploring New Pathways for the Coal Industry" and delivered the opening remarks. The meeting held in-depth discussions on the coal industry's transformation pathways and innovative development directions under the dual carbon goals, building consensus for the industry's high-quality development.

The Company will leverage its financial "functionality" through services such as professional research and investment and financing, serving as both a "booster" and a "companion" for the industry's green and low-carbon transition. The Company will promote the high-quality development of coal enterprises in a steady and sustainable manner and support efforts to address climate change.

Metrics and Targets

The Company attaches great importance to green finance, and has integrated green finance-related metrics and targets into the Company's task objectives for serving national strategies. The Company has formulated management targets for green financing and green investment, respectively, and established quantitative management metrics such as the "Company's green finance business scale" and the "number of ESG/green development-themed research reports published by the Company", and regularly monitors the achievement of the targets. In 2025, the targets were well achieved.

Green Finance Targets and Progress of Shenwan Hongyuan

Dimension	Targets	2025 Progress
Green financing	<ul style="list-style-type: none"> Develop and strengthen green and low-carbon business teams, continuously cultivate or introduce industry experts in related fields, and optimize the talent structure. Actively participate in green bond issuance and green equity financing. 	<ul style="list-style-type: none"> In 2025, the Company assisted in the issuance of a total of RMB27.527 billion in relevant sustainability bonds (including green bonds and rural revitalisation bonds). Among which, the Company facilitated the issuance and lead underwriting of 51 green bonds, with a total issuance amount of RMB21.806 billion.
Green investment	<ul style="list-style-type: none"> Promote sustainable (ESG) investment with high quality and standards and orderly carry out sustainable investment in the public market. Gradually reduce investment in high-consumption and high-emission industries and gradually expand the proportion of green investment. Shenwan Hongyuan Securities sets an annual expectation target for its proprietary fixed-income investment business to achieve a growth rate of no less than 15% in investment scale related to green bonds. 	<ul style="list-style-type: none"> As of the end of 2025, the Company had invested RMB17 billion in the field of green finance.

- The key topic project undertaken by Shenwan Hongyuan Securities for the SAC, *In-Depth Analysis of China's ESG Investment: Overseas Practices, Domestic Status Quo and Product Pathways*, was rated as an excellent topic.

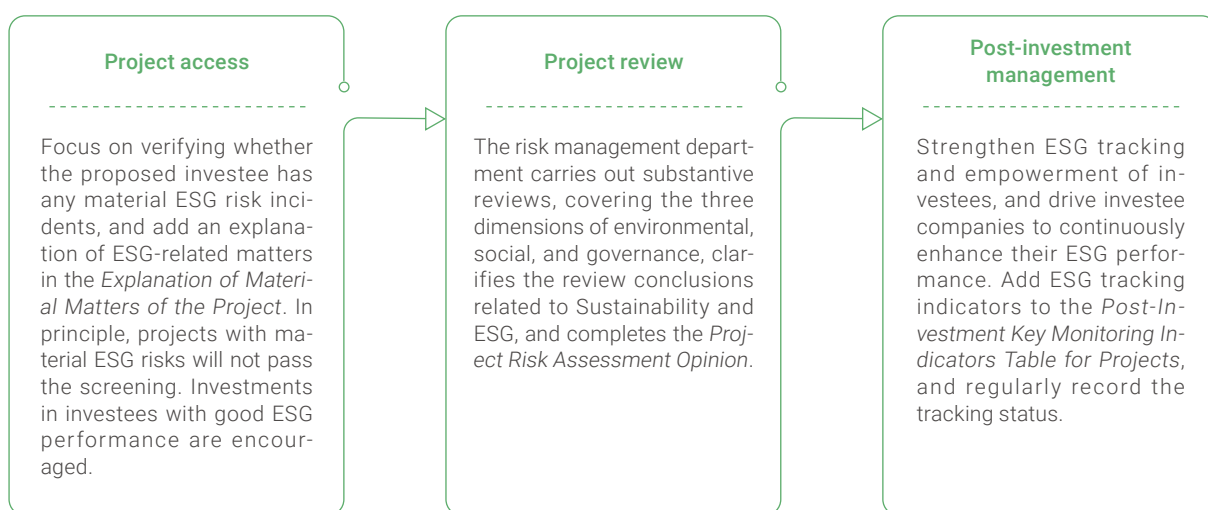


Certificate of Honour for Excellent Topic

Devoting to Responsible Investment

Responsible investment is an investment strategy and practice that incorporates environmental, social, and governance factors into investment decision-making and active ownership. While pursuing financial returns, it strives to achieve long-term sustainable value creation. The Company proactively promotes the high-quality and sustainable development of its investment business, clearly specifying the integration of ESG factors into the entire investment decision-making process of "pre-investment screening - investment review - post-investment tracking".

Shenwan Hongyuan Group Responsible Investment Process



In response to the Company's responsible investment concept, various business departments and subsidiaries have actively incorporated the concept of responsible investment into the formulation of relevant institutional norms, established dedicated positions to manage ESG-related matters, and conducted ESG-related training for investment researchers to effectively enhance their ability in responsible investment. At the level of business practice, the Company fully applies responsible investment strategies such as positive screening, negative exclusion, ESG integration, thematic investment, and active ownership across investment business types including equity investments, fixed income investments, and private equity investments, thereby creating long-term value.

Application of Responsible Investment Strategy in Shenwan Hongyuan

Responsible Investment Strategy	Equity Investment	Fixed Income Investment	Private Equity Investment
Screening	✓	✓	✓
ESG integration	✓	✓	✓
Thematic investment	✓	✓	✓
Impact investing	-	✓	-
Active ownership	✓	✓	✓

Specific Application of Responsible Investment Strategy in Shenwan Hongyuan

Strategy	Specific Application	Asset Category Involved
Screening	<ul style="list-style-type: none"> The Company developed the <i>Measures for the Administration of the Negative List for Investment Business of Shenwan Hongyuan Group Co., Ltd.</i>, established blacklists and whitelists, and clarified the active application of screening strategies such as positive screening and negative exclusion in the investment decision-making process. For fixed income investments using proprietary funds, the credit rating team conducted daily public opinion monitoring of key entities in the portfolio/on the market, and set up a restricted investment list to screen investment targets. SWS MU developed the <i>ESG Investment Management Measures</i>, clearly stipulating that it must not invest in companies on the ESG negative list. 	<ul style="list-style-type: none"> Equity Investment Fixed Income Investment Private Equity Investment
ESG integration	<ul style="list-style-type: none"> SWS MU established an ESG scoring mechanism for target companies, combining factors such as news and public opinion and regulatory penalties to score different topics across different industries. The scoring results served as the basis for internal ESG scoring. Shenyin & Wanguo Alternative Investment formulated the <i>Risk Management Measures of Shenyin & Wanguo Alternative Investment Co., Ltd. (Revised in 2025)</i>, incorporating environmental and climate risks into the comprehensive risk management system. At the same time, in the project initiation conditions checklist for equity investment projects, "does the project violate ESG" was included as a pre-assessment criterion. Shenyin & Wanguo Investment conducted systematic assessments around potential risks and performance related to corporate ESG. 	<ul style="list-style-type: none"> Equity Investment Fixed Income Investment Private Equity Investment
Thematic investment	<ul style="list-style-type: none"> Group Company adopted a multi-asset allocation approach in its investment business. In equity and fixed-income investments, Group Company deeply integrated the responsible investment concept with the ongoing service of national strategies and the "Five Key Areas of Finance", guiding capital towards emerging technologies, green transition, and people's livelihood protection, among other areas. For private equity investments, the Company focused on technology and new quality productive forces, prioritising investments in technology and innovative enterprises that possess core technologies and can generate positive social spillover effects. For real estate investments, the Company focused on urban renewal and affordable rental housing. It invested in green buildings to improve energy efficiency and invested in affordable living spaces to address housing issues faced by new urban residents. For infrastructure investments, the Company focused on ensuring the supply of essential services for people's livelihood and new infrastructure, with layout in logistics, data centres, and energy facilities, among others. 	<ul style="list-style-type: none"> Equity Investment Fixed Income Investment Private Equity Investment

Note: The Company combined serving national strategies with investment strategies. Therefore, thematic investments placed greater emphasis on topics aligned with national strategies.

In the fixed income investment business of self-owned funds, Shenwan Hongyuan Securities has established a dedicated position in the credit research team to manage and coordinate ESG-related matters, incorporate responsible investment practices into the responsibility scope of the industry investment research team, and build an ESG investment research system.

Building an ESG Investment Research System



In the fixed income investment business of self-owned funds, the Credit Research Team has integrated ESG into the full-process rules of the investment research system. It conducts daily public opinion tracking on existing holdings and key market entities, and consolidates relevant data and information into the investment research system in real time, with a further emphasis on deep integration of ESG with credit analysis and valuation and pricing.

The industry-specific management is adopted in the ESG investment research system, focusing on ESG topics of concern to different industries. It is required to select the indicators related to ESG policies to form ESG policy strength factors and increase investment in industries with good ESG performance. For entities in the same industry, the ESG assessment results may be used as the basis for adjusting the ranking of credit entities. In 2025, ESG ratings covered 8,100 domestic bond issuers and a wide range of derivatives counterparties, and also covered nearly 70 overseas entities.

In addition, the Credit Research Team conducts an annual review of key industries each year, with a focus on annual industry changes and their impacts on the financial and ESG aspects of relevant enterprises.

- Steel industry: The Company focused on analysing the direction of high-quality development featuring green, low-carbon and sustainable growth, and included corporate management, low-carbon transition, and production safety in the key considerations for rating stratification.
- Urban investment industry: The Company comprehensively reviewed and provided an outlook on the package of debt resolution policies, and treated debt resolution progress, hidden debt management, information disclosure and public opinion as key metrics for regional and corporate governance.
- Power industry: The Company focused on analysing changes in the development of new energy and the corresponding reforms of the new-type power market. While giving enterprises with a higher proportion of green electricity a higher "E" score, it also strengthened considerations of peak-shaving and supply assurance capabilities.
- Coal industry: As one of the key ESG observation industries, the annual industry outlook placed greater emphasis on the green transformation and development of the industry and enterprises, carbon peaking and carbon neutrality. In rating stratification, higher weight was also given to factors such as production safety and supply assurance.

In the fixed-income investment specific practice of self-owned funds, for investments in high ESG risk areas, such as coal, unconventional oil and gas, relevant divisions have further formulated restrictions on business development, clarifying that only those who comply with relevant industrial policies, such as the *Guiding Catalogue for Industrial Structure Adjustment (2024)* and the *Petrochemical Industry Planning and Layout Scheme*, and meet relevant standards and requirements in terms of safety production, environmental protection, energy consumption, etc., can obtain business development permits. In the investment advisory business, in 2025, the investment advisory team of the fixed income investment business line of self-owned funds provided a total of 216 investment recommendations to customers involving ESG bonds, involving a bond amount of RMB4,473 million.

As a signatory of the UN Principles for Responsible Investment (UN PRI), SWS MU is committed to complying with PRI requirements, integrating the concept of responsible investment into its investment research system in all aspects, formulating the *Action Plan for SWS MU Fund Management Co., Ltd. on Fully Practicing ESG Concepts and Improving ESG Management Capabilities* and the *ESG Investment Management Measures*, and establishing a responsible investment management framework. SWS MU has an ESG committee, which promotes the integration and implementation of ESG concepts in investment research, product creation and management work. An ESG working group has been established for implementing various work arrangements of the ESG committee. The research centre is responsible for building an ESG research system, conducting ESG

scoring and classification, continuous tracking and research support of investment targets, and fully implementing responsible investment management.

During post-investment management, the Company actively exercised shareholders' rights and proxy voting, and formulated and issued the *Statement on Exercising Voting Rights Externally*, clearly specifying a focus on general matters and ESG-related matters that may have a material impact on shareholders' interests. For specific investment projects, the Company establishes detailed participation and proxy voting mechanisms in investment plans, covering the specific procedures and decision-making processes for the Company's involvement in major decisions of investee projects. All investment departments and subsidiaries fully responded to the Company's responsible investment philosophy and exercised active ownership in conjunction with their business characteristics.

Application of Active Ownership by Shenwan Hongyuan's Subsidiaries



- Hongyuan Huizhi conducted an initial follow-up inspection after capital injection into projects, and carried out regular and ad-hoc on-site inspections during the project duration to understand industry and regulatory policies, the operation of investees, and the performance of underlying assets.
- Hongyuan Huifu participated in corporate governance by appointing directors and supervisors to investee enterprises, urging them to continuously improve their corporate governance structure and enhance their ESG management capabilities.
- SWS MU formulated the *Research Work Procedures*, clarifying that investment research personnel, representing the interests of fund unitholders, participate in the voting process on resolution matters of companies in which the fund invests.
- Shenwan Hongyuan Asset Management clarified that, where the voting content includes ESG-related matters, the investment manager shall actively participate in voting, support resolutions of investee enterprises relating to green transformation and upgrading and the protection of employees' rights and interests.
- Shenyin & Wanguo Investment urged investee target enterprises to operate in compliance, improve their corporate governance structure, and enhance their financial management standards, guiding investee target enterprises to improve their ESG performance.
- Senyin & Wanguo Alternative Investment's investment managers and post-investment management personnel tracked and analysed the ESG performance of investee enterprises, monitored the implementation and execution of ESG-related resolutions, and treated this as an important factor in assessing the operational robustness and risks of invested projects.

In 2025, the Company strictly implemented post-investment due diligence. Upon identifying governance deficiencies in an investee company, the Company conducted a full divestment.

Proactively and fully reduce holdings of corporate credit bonds issued by enterprises with inadequate governance



In 2025, after Shenwan Hongyuan Securities invested in a corporate credit bond issued by an enterprise, it identified deficiencies in the enterprise's governance during post-investment management. These deficiencies directly affected its decision-making transparency, stakeholder protection, and credit stability. Therefore, Shenwan Hongyuan Securities promptly carried out a full divestment and included the enterprise in its prohibited investment scope.

Bringing Strength Together, Strengthening Talent Development

Talent is a key resource for economic and social development and for the high-quality development of enterprises. The Company adheres to the "people-oriented" talent strategy of strengthening the enterprise through talent, continuously improving the efficiency and governance of human resource allocation, and supporting the Company's long-term, steady development with a high-calibre and professional talent team.

In 2025, the Company focused on fostering a fair, diverse, and inclusive workplace environment, standardising recruitment and employment management, improving the remuneration and benefits system, advancing tiered and category-based talent development and capability building, and continuously enhancing employees' sense of fulfilment, sense of belonging, and organisational cohesion.

Key Topic in this Chapter

Human Capital Development



Adhering to the principle of human orientation and the employment philosophies of emphasising both moral integrity and professional competence, appointing people on their merits, and tapping the full potential of talent, the Company creates an open, equal, competitive, merit-based and applicable employment environment and continuously improves the human resources development system based on the market-oriented mechanism to promote the sharing of interests among the Company, shareholders and employees, and provides lasting and solid career security for employees' long-term development and self-value realisation.

Governance

The Company has established a multi-level management structure with hierarchical authorisation and overall management in accordance with the Articles of Association and organisational personnel regulations and other requirements. The Company strengthens the effectiveness of talent development, organisational control and brand building, establishes an information reporting and feedback mechanism in line with the Company's development and internal and external system requirements, and fulfills relevant supervision and management procedures in accordance with rules and regulations.

In terms of the governance structure, the Board of Directors has established a Compensation and Nomination Committee; the Party Committee Organisation Department/Human Resources Headquarters conducts professional management in aspects such as cadre management, supervision and accountability, talent recruitment, compensation and benefits, employee management, training and development, organisational structure, and performance assessment.

In strict compliance with the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, the *Employment Promotion Law of the People's Republic of China* and other laws and regulations, the Company has formulated a series of systems around employee recruitment and dismissal, salary and benefits, promotion, development and training, thereby providing strong safeguards for employee growth and the Company's development.

Main Management Systems Related to Employees

Aspects	Systems
Employee recruitment	<i>Recruitment and Allocation Management Measures (Revised in 2022)</i> , <i>Recruitment Management Details (Revised in 2025)</i> , <i>Administrative Rules for Reallocation (Revised in 2022)</i>
Employee dismissal	<i>Measures for Management of Labour Contracts (Revised in 2022)</i> and <i>Administrative Rules for Labour Contracts (Revised in 2024)</i>
Equal opportunities, diversity	<i>Administrative Rules for Foreign Employees (Trial)</i>
Working hours and holidays	<i>Measures for Attendance and Holiday Management (Revised in 2021)</i>
Remuneration and benefits	<i>Remuneration Management System (Revised in 2024)</i> , <i>Corporate Annuity Scheme and Implementation Rules (Revised in 2021)</i>
Promotion and development	<i>Administrative Measures for Job Positions (Trial)</i>
Employee Training	<i>Training Management Measures (Revised in 2025)</i>

Strategy

The Company has built a virtuous cycle of "strategy - talent – culture" under the principle that "everyone is assigned according to their abilities and everyone's abilities are fully utilised". This not only improves the Company's talent quality and organisational effectiveness, but also cultivates highly qualified practitioners for the capital market, enhances professional capabilities across the industry, and promotes fair employment and talent mobility, thereby contributing to improvements in the overall social employment environment.

In 2025, the Company conducted a risk and opportunity analysis around talent management, identifying potential risks such as reputation and policy risks. At the same time, the Company focused on market opportunities brought about by a high-calibre talent pool, providing support for enhancing organisational capability, ensuring compliance, and driving business development.

Analysis of Risks and Opportunities Related to Employees of Shenwan Hongyuan

Main Risks and Opportunities	Specific Analysis	Scope of Impact	Financial Impact Analysis
Reputation risk	Any problems in talent management, such as unfair promotion mechanisms or poor working environments, may damage the brand image of the Company and affect its ability to attract and retain talent.	Medium and long term	• Increase in operating costs
Policy risk	If the Company fails to respond in a timely manner and strictly comply with the increasingly comprehensive regulatory requirements on remuneration and benefits, it may face compliance penalties and reputational damage.	Medium and long term	• Increase in operating costs
Market opportunities	A high-quality talent team may help the Company better adapt to market changes, seize new business opportunities, and respond to rapidly changing financial market demands.	Short, medium, and long term	• Increase in operating income

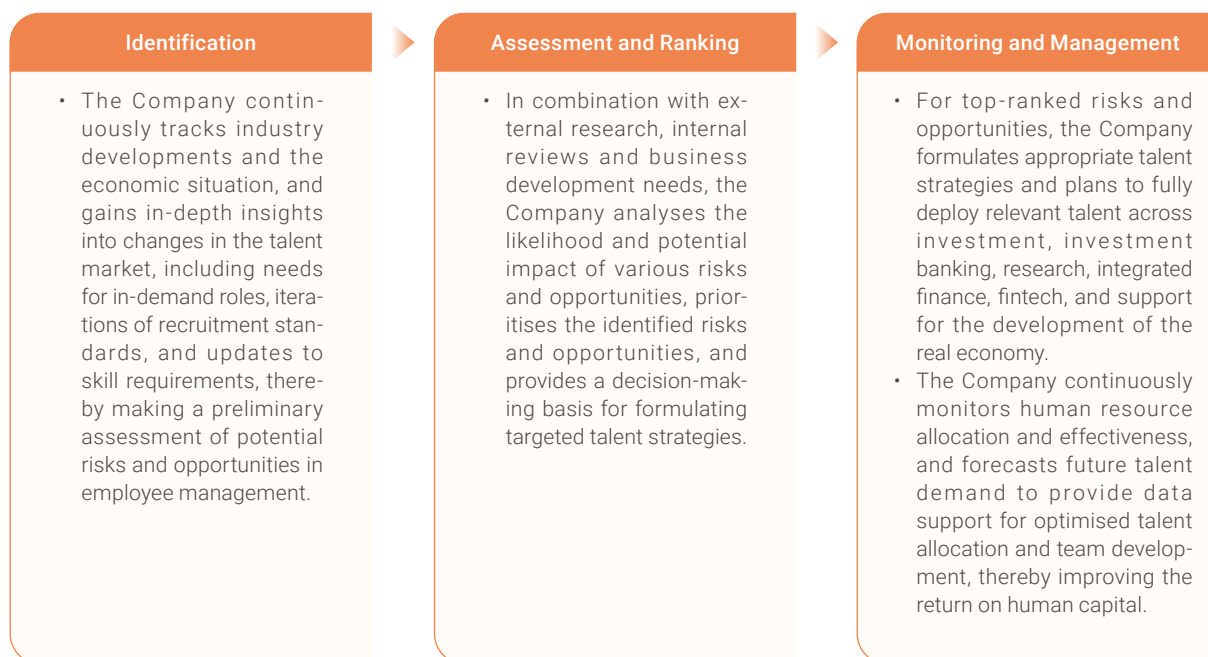
In response to the above risks and opportunities, the Company has formulated a formal talent development strategy. At the end of each year, the Company uniformly collects the recruitment needs of each employing unit for the following year. Upon review by the Human Resources Headquarters and deliberation by the Company's Party Committee meeting, the Company organises and implements the strategy, introducing high-quality talent through multiple channels, including talent search, headhunter partnerships, and internal referrals; meanwhile, the Company continues to improve the remuneration and benefits system and strengthens internal compliance reviews, ensuring that all systems remain aligned with regulatory requirements. On this basis, the Company has further formulated a sub-strategy for the development of the cadre team, adhering to the core objective of "high-quality talent leading high-quality development". Focusing on the main approach of "optimising scale, adjusting structure, enhancing capabilities, and strengthening mechanisms", the Company nurtures and attracts a high-calibre cadre team that is politically steadfast, professionally outstanding, and committed to excellence, selects and makes effective use of cadres, and fosters a sound political ecosystem.



Impacts, Risks, and Opportunities Management

The Company has established a comprehensive management process to systematically identify, assess, and address the impacts, risks, and opportunities related to talent attraction and development. Supporting mechanisms have been put in place to promote the implementation of multiple management initiatives. For specific measures, please refer to the sections "Talent Attraction and Retention", "Employee Training and Development", and "Employee Care and Communication".

Management Process for Impacts, Risks and Opportunities Related to Employees of Shenwan Hongyuan



Metrics and Targets

The Company has established comprehensive employee management targets covering labour relations, equal opportunities, diversity and inclusion, employee turnover and satisfaction, and talent development. For each target, the Company has also put in place a scientific and quantifiable system of monitoring metrics, enabling the Company to continuously track and evaluate relevant metrics, continually optimise the employee experience and organisational development, and achieve dual improvements in talent value and corporate development.

Employee-related Targets and Progress of Shenwan Hongyuan

Targets	Metrics	2025 Progress
Strengthen the development of the labour relations coordination mechanism, improve the mechanism for promoting equal opportunities, and actively foster an equal and diverse workplace environment, aim for a female employee ratio of around 40%, conduct statistics and analysis on employee turnover, continuously carry out employee satisfaction surveys, and strengthen the protection of employees' rights and interests.	<ul style="list-style-type: none"> Employment contract coverage Social insurance coverage Number of labour discrimination incidents Proportion of female employees Number of employees from ethnic minority groups Employee turnover rate Employee satisfaction Average training hours per employee 	In 2025, female employees accounted for 47.72%, the employee turnover rate stood at 7.03%, with a favorable level of employee satisfaction and the target was achieved.

Talent Attraction and Retention

Talent is the cornerstone of development and the driving force of innovation. The Company upholds the philosophy of "emphasising both moral integrity and professional competence, appointing people on their merits, and tapping full potential of talent," and follows the basic principles of "fairness, equality, ability-duty matching, inside before outside, and efficiency orientation." In strict compliance with the *Labour Law of the People's Republic of China* and other relevant laws and regulations, the Company sets out clear rules on employee recruitment and dismissal, equal opportunity, working hours, vacations and other benefits, and prohibits the use of child, human trafficking, and forced labour.

As a financial institution, the Company mainly adopts the form of a labour contract, supplemented by labour dispatch. During the reporting period, there were neither confirmed violations of the Company's employment and labour standards, nor instances of child labour and forced labour.

Employee Recruitment and Employment

The Company continuously improves its recruitment and employment management systems, and has formulated internal systems such as the *Recruitment and Allocation Management Measures*, the *Administrative Rules for Reallocation*, and the *Administrative Rules for Foreign Employees (Trial)*. In 2025, the Company revised the *Recruitment Management Details*, systematically standardising recruitment management processes and operational requirements, and providing institutional safeguards for a diversified workforce. During recruitment and hiring, the Company implements a proactive, open, and effective talent policy, adheres to the principles of fairness and impartiality in employment, and ensures that employee recruitment is not subject to differential treatment due to factors such as race, religion, gender, nationality, ethnicity, age, or marital status, thereby effectively safeguarding equal employment opportunities. In terms of employee dismissal management, the Company strictly fulfils the obligation of prior notification in accordance with the law, and, through sound human resources planning and management, maintains overall workforce stability.

In 2025, the Company strictly implemented the established recruitment systems and processes, and, based on the needs of business development, extensively expanded and optimised diversified talent introduction channels, including social recruitment and campus recruitment. On the basis of completing thorough and compliant selection and approval procedures, the Company continued to promote the development of fresh graduates and targeted talent recruitment, providing solid support for its talent reserves.

Key Practice of Shenwan Hongyuan in Talent Attraction in 2025

Supporting the growth of fresh graduates

- The Company continued to carry out the campus recruitment campaign titled "New Force for SWS," and implemented the national policy for stable employment to build up a reserve force for corporate sustainable development. The Company continuously advanced 2026 summer internship recruitment and 2026 autumn campus recruitment.
- The Company consolidated the foundation for college-enterprise collaboration by means of career lectures and business site visits, thus increasing the attraction and reserve of students from cutting-edge universities.
- The Company developed an internship programme for university graduates, and signed strategic cooperation or internship base agreements with nearly 10 economics and finance institutions, including Tsinghua University PBC School of Finance, Peking University HSBC Business School, Shanghai Advanced Institute of Finance of Shanghai Jiao Tong University, Antai College of Economics and Management of Shanghai Jiao Tong University, School of Finance of Renmin University of China, and School of Economics of Zhejiang University.
- Adhering to the training idea of "doing while learning, learning by doing," the Company carried out a three-month practice exercise for new employees recruited on campus, including one month at the grassroots frontline and 2 months at the headquarters. Practice arrangements were matched based on individuals' professional strengths, preferences, and the needs of the hiring departments. Upon completion, the Company assessed new employees from two personal qualities and job requirements, to enhance the quality of talent development and job competency.

Carrying out targeted talent recruitment

- The Company actively participated in talent recruitment activities, such as the 2025 Pudong New Area "Chuangxing Employment" Service Action recruitment fair for the financial information technology sector and the 2025 Pudong New Area Youth Talent Express, etc.

The Company attaches importance to building a diverse workforce, actively recruiting ethnic minorities each year and hiring demobilised soldiers, thereby broadening the sources of diverse talent. In the ethnic minority recruitment plan for Xinjiang, the Company recruits and selects ethnic minority fresh graduates from Xinjiang who meet the basic criteria for its campus recruitment in accordance with the same standards, effectively guaranteeing equal employment opportunities and promoting a more diverse and sound workforce structure.

- Shenwan Hongyuan Securities was the recipient of the "Outstanding Employer Award" by the Chinese University of Hong Kong Shenzhen Finance Institute, "Employer Excellence of China 2025," and "Model for Learning and Development 2025."

Employee Rights, Interests and Benefits

The Company respects and protects employees' basic rights and interests. The Company formulated internal systems such as the *Remuneration Management Policy* and the *Administrative Measures for Total Wage*, thereby establishing a standardised and orderly employment mechanism and a remuneration distribution mechanism that took into account fairness and market competitiveness, and safeguarding in accordance with the law employees' basic labour rights and interests and reasonable returns. Meanwhile, the Company continuously improves the welfare and benefits guarantee system, pays attention to employees' diverse needs, enhances employees' sense of gain, happiness and belonging, and strengthens organisational cohesion and employee stability.

Shenwan Hongyuan's Guarantee Measures to Protect Employee Rights, Interest and Benefits

Employee Rights and Interests	
Working hours and leaves	<ul style="list-style-type: none"> • The Company practices a standard working hours system of eight hours per day and 40 hours per week. • Where employees are required to work overtime, the Company shall go through the approval procedures, and arrange compensated leave or pay overtime wages in accordance with the law. • After working for a certain period of time, employees are entitled to paid annual leave for a corresponding period, and to various vacations according to national regulations. • The Company provides employees with paid parental leave or other paid family care leave in accordance with the laws and regulations of the state and the place of work.
Remuneration	<ul style="list-style-type: none"> • The remuneration includes base salary, annual performance pay, allowances and subsidies, benefits, and long-term incentives. • The monthly performance pay reflects the incentive and constraint functions of the base salary, and is paid monthly according to the performance assessment. The annual performance pay is an incentive-based income based on the overall efficiency of the Company and the results of employee performance assessment. • The minimum salary for all employees is higher than the statutory minimum wage standard, i.e., meeting or exceeding the minimum wage required to ensure the basic living needs of employees and their family members. • The Company strictly implements the principle of equal pay for equal work. Employees' remuneration and benefits do not differ due to factors such as gender.
Employee Benefits	
Statutory benefits	<ul style="list-style-type: none"> • The Company makes contributions for employees to social insurance, the housing provident fund, and other statutory benefits in accordance with the law.
Non-statutory benefits	<ul style="list-style-type: none"> • The Company provides employees with supplementary commercial insurance, payment of enterprise annuity, periodic physical examination, staff canteen, and transportation and communication subsidies, covering all full-time employees under a labour contract. • The Company has prescribed working hours. For departments with special work needs, working hours can be adjusted flexibly according to the actual situation.

The Company is committed to creating a positive workplace environment, resolutely opposing workplace harassment and related misconduct, and adopting a zero-tolerance approach to workplace discrimination. In the *Measures for Accountability for Employees' Violations*, the Company specifies the grievance and reporting mechanism of incidents and stipulates tiered accountability measures. For minor circumstances, a reminder or warning will be issued; for more serious circumstances, a demerit or serious demerit will be given; and for severe circumstances, demotion, removal from post, or dismissal will be imposed.

Employee Training and Development

Employee Assessment and Promotion

The Company formulated the *Administrative Measures for Job Positions (Trial)* and other systems, and built a managing director (MD) position system focused on competencies and a dual-channel (with management and specialist pipelines in parallel) career development system. Each position has clear qualification requirements that reflect the demands for experience and capability, creating opportunities and an environment where those who are willing to work, capable of working, and able to achieve results can rise to the occasion.

The Company established a performance assessment management system covering all employees and formulated the *Measures for the Performance Assessment and Evaluation of All Employees*, providing an institutional safeguard to incentivise improvements in employee performance and talent development. Employee performance assessment combines key performance assessment with an annual comprehensive evaluation. The performance assessment system covers the appraisal process, feedback and coaching on results, and a grievance mechanism, forming a closed loop of target orientation, process tracking, and results feedback to ensure that appraisals are fair, transparent, and capable of improvement.

Employee Performance Assessment Management System of Shenwan Hongyuan

Performance assessment and evaluation methods for all employees

- Key performance assessment: With the main purpose of target guidance and performance tracking, the Company uses the key performance evaluation method to assess monthly/quarterly/semi-annually the process-based and key performance of employees by stage.
- Annual comprehensive assessment and evaluation: With the main purpose of comprehensive evaluation and performance improvement, the Company carries out annual assessment and evaluation of the outcome-based and comprehensive performance of employees by using comprehensive evaluation and 360-degree evaluation methods.

Performance assessment process for all employees

- It includes seven key processes of developing plans, confirming targets, preparing assessment data, conducting regular evaluations, determining and providing feedback on assessment results, applying assessment results, and conducting performance coaching, thereby establishing a complete closed loop for the management of assessment and evaluation.

Feedback on assessment results and counselling

- After the assessment results are confirmed, each unit shall adopt a certain form of feedback to the employees on their assessment results. For the employees with poor performance, each unit needs to carry out performance counselling in a targeted manner according to the actual situation.

Grievance mechanism

- The Company has established a grievance mechanism for employee assessment and position evaluation results. An employee who challenges the assessment results and the results of position evaluation may submit a petition to his/her unit within a certain time limit. If not satisfied with the handling result, the employee may submit a second petition to the Human Resources Department. The entire petition process is kept strictly confidential, protecting employees' legitimate rights and interests.

Employee Training System

The Company keeps improving the talent development system covering all employees. The talent training programmes that the Group Company has implemented and carried out include "Starshine Programme," "Venus Programme," and "Morning Star Programme." The hierarchical training system of Shenwan Hongyuan Securities mainly includes "Sail-related" series of development programs and "Shenwan Hongyuan Lecture." Specifically, the "Sail-related" series includes Flagship Programme, Voyage Programme, Continuation Programme and Sailing Programme.

With a view to continuously promoting the scientific, institutionalised and standardised education and training, and systematically cultivating a loyal, clean and responsible team of high-caliber personnel, Shenwan Hongyuan Securities formulated and released the *Employee Education and Training Work Plan 2025*, which closely aligned with strategic deployment and operational and management objectives. Guided by Party spirit education and training, the Company coordinated efforts to enhance professional capability, management capability, and overall competence, thereby strengthening the talent foundation for high-quality development.

Talent Training System of Shenwan Hongyuan

Target Groups	Project Name	Training Content in 2025
Middle and senior management	"Starshine Programme"	• "Digital Intelligence Empowerment" themed training
	"Flagship Programme"	• Workshop for middle and senior management
Key staff and specialists	"Venus Programme"	• "Huichuang Forum" business-themed training series
	"Voyage Programme"	• Management Excellence Empowerment Camp
	"Continuation Programme"	• Fortune Star training camp • International Business Management Talent Training Programme
New hires	"Morning Star Programme"	• New employee training in 2025
	"Sailing Programme"	• "New Force for SWS" training
All employees	"Shenwan Hongyuan Lecture"	• Artificial intelligence-themed series of public lectures

In terms of encouraging continuing education, the Company provides special training and examination for employees, and to give appropriate subsidies to the acquisition of vocational qualifications, vocational skill levels, and certificates of higher continuing education. The subsidy is oriented to all employees who have formally signed labour contracts with the Company. In 2025, the Company continued to carry out skill certification activities and encouraged all employees to use their spare time to enhance the occupational skills required for their roles. The Company had more than 410 personnel obtain professional qualifications, occupational skill level and higher continuing education certifications, and issued skills subsidies of more than RMB210,000. Shenwan Hongyuan Securities organised over 100 specialised training sessions and examinations for "Compliance Management Personnel", "Risk Management Personnel", "Internal Audit Staff", and the "Pledged Financing Specialist Qualification Certificate", while more than 7,000 employees completed continuing education for securities practitioners and over 5,000 employees completed continuing education for fund practitioners.

Launched the "Voyage Programme" — Management Excellence Empowerment Camp



Shenwan Hongyuan Securities launched the "Voyage Programme: Management Excellence Empowerment Camp" for heads of frontline business outlets. Through a consultative training model, combined with modules such as business advancement, management advancement, best practice sharing, and on-site teaching, the programme enhanced outlet heads' business and management capabilities in transformation and development, with a total of more than 60 trainees trained.



Management Excellence Empowerment Camp for Heads of Frontline Business Outlets

Hosted the 2025 "Continuation Programme: Fortune Star Training Camp"



To advance the customer-centred wealth management transformation, Shenwan Hongyuan Securities implemented the "Continuation Programme: Fortune Star Training Camp", delivering systematic capability enhancement training by tier and category around key wealth management businesses. The programme adopted a tiered development model of "Foundation Class—Elite Class—Excellence Class", combining online and offline training sessions, with a focus on core capabilities including basic business, investment advisory services, product allocation, channel-based customer acquisition, and financial technology applications. This effectively supported the professional development of the wealth management team and improvements in business quality and effectiveness. In 2025, the training classes reached a total of more than 4,000 participants.




Fortune Star Training Camp

Jointed with China Capital Market Institute to Organise an International Business Management Talent Training Programme

Shenwan Hongyuan Securities co-organised an International Business Management Talent Training Programme with China Capital Market Institute in Shenzhen, bringing together 56 department heads and business team leaders from core business units, functional departments, and the vertically managed international business line. The training focused on three key topics of "strategic decision-making, risk management and control, and cultural integration". It systematically covered the macro landscape, cross-cultural management, international regulatory dynamics, and business practices of benchmark securities firms, and strengthened the integration of learning and application through case-study discussions, enhancing participants' overall understanding of international business and their collaborative capabilities.



 International Business Management Talent Training Programme

Advanced the Enhancement of Employees' Digital Transformation Capabilities

In 2025, the Company integrated the "AI+" thematic system into the employee education and training framework and conducted tiered digital-themed training programmes to promote the enhancement of digital capabilities across all employees. By launching an IT high-potential talent training programme, AI-themed open courses, and online learning initiatives for all employees, supported by offline in-person teaching, case discussions, and book-sharing sessions, the Company strengthened employees' understanding of AI tools and their management applications, and facilitated the transformation of digital capabilities into business and management effectiveness.

Performance highlights of the Company in "employee training and development" in 2025:

Shenwan Hongyuan Securities conducted nearly **40** centralised training programmes on a cumulative basis, delivering over **650,000** centralised training hours in total, with over **40,000** trainee attendances, and an average of **158** hours per person for key personnel. In addition to centralised training hours, total online self-learning hours exceeded **350,000**.

Employee Care and Communication

Employee Health and Care

The Company strives to ensure workplace safety and protect the health of employees by earnestly implementing the *Labour Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Regulations on Work-related Injury Insurance* and other laws and regulations. During the reporting period, the Company was not penalised for violating occupational safety and health laws and regulations.

Employee Health Safeguard Measures of Shenwan Hongyuan in 2025

Protecting physical and mental health

- **Handling supplementary medical insurance:** On the basis of basic medical insurance, the Company expands the coverage, including critical illness insurance, and reimbursement for special diseases in outpatient service, so that employees can receive comprehensive economic support in case of diseases. Mental health services are added in the insurance plan, including psychological counselling services like a 24-hour hotline and face-to-face counselling.
- **Organising employee physical examination every year:** In conjunction with the previous year's physical examination big data and employee needs identified through surveys, and based on professional advice from the physical examination institutions, the Company adjusted some physical examination items. The Company carried out five offline physical examination report interpretation activities in Shanghai and Beijing with the help of the "Health Hut" platform.
- **Advancing the special work on first-aid capability building:** Focusing on enhancing the practical capabilities of "Shen Yuan Xia", and relying on a digital life first-aid collaboration and response platform, the Company carried out retraining and drills for more than 600 first-aid volunteers in 18 batches, continuously improving practical skills; "Shen Yuan Xia" provided professional first-aid support at events such as cultural performances, Employee Family Day, and badminton tournaments, receiving high recognition; the Company launched a dedicated training session for employees' children under the "Little Shen Yuan Xia" programme, with nearly 60 trainees completing the training and receiving certificates; the Company conducted five joint "first aid + investor education" co-building events at investor education bases in Shanghai, Urumqi, Changchun, Huangshi, and other locations, reaching more than 300 people.
- **Building better "Health Hut":** In terms of hardware configuration, the Company upgraded the self-service health detector, allocated "Mobile Detection Station" with such detectors as oximeter and sphygmomanometer. In terms of medical equipment, the Company allocated the "First Aid Kit" including cardiotoxic pills and quick-acting heart reliever. The "Health Hut" saw about 3,800 uses throughout the year.
- **Developing a Mental Health System:** The Company launched the "Shenwan Hongyuan Heartlight Programme" EAP employee mental health service project, adopting a model that combines an online dedicated service platform with offline multi-dimensional activities. It covers six major modules: "Heartlight Hotline, Heartlight Growth Camp, Heartlight Salon, Heartlight Self-Healing, Heartlight Empowerment, and Heartlight Assistance", building a full-scenario, tiered psychological support network to provide precise services for employees at all levels. In 2025, the project achieved notable results, with a cumulative total of over 1,000 participants in online psychological assessments, and the successful hosting of a thematic lecture titled "Heartlight Towards the Sun: Happiness Together—A Handbook for Practising Emotional Freedom".
- **Establishing the "Employee Fitness Station":** The "Employee Fitness Station" provided services for more than 2,800 person-times throughout the year, delivered more than 1,000 sessions of activities such as dance, yoga, and table tennis, and was officially included within the scope of the Shanghai Federation of Trade Unions' fitness stations.



Shenwan Hongyuan "First Aid + Investor Education" Joint Development Activity



Xinguang Salon - Mental Health Month Activity



The Company attaches great importance to employee care and has established an institutionalised, targeted and people-oriented system to provide support and assistance to employees in difficulty. It also creates a considerate and friendly working environment for female employees, and is committed to fostering a warm and harmonious workplace atmosphere.

Employee Care Measures of Shenwan Hongyuan in 2025

Helping employees in difficulty

- **Routine support efforts:** The Company further revised and improved the *Implementation Rules for the Management Measures of Shenwan Hongyuan Securities Co., Ltd. for Income and Expenses of Labour Union Expenditure (2022 Revision)* to refine the criteria for "Five Interviews (i.e., employee marriage and childbirth, blood donation, retirement, birthday, and major hardship)" and "Five Visits (i.e., critical illness or accidental injury in employees, an accident in the employees' family, death of employees, critical illness or accidental injury in the employees' immediate family members, and death of the employees' immediate family members)." The Company expressed sympathy and solicitude for nearly 530 employees throughout the year.
- **Carrying out special help to key groups:** The Company carried out the special activity "Sending Support to the Needy" during the New Year's Day and the Spring Festival, and gave relief subsidies to 171 employees in need due to illness. The Company assisted Shanghai Financial Union in helping 115 persons in need and expressing sympathy and solicitude for them.

Caring for female employees

- The Company deepened the development of the "Mom's Room" and optimised service functions, to create a comfortable and considerate work environment and to provide people-oriented services for pregnant and lactating workers.
- The Company provided maternity allowances for female employees.

Employee Democratic Communication

Employees fully enjoy the right to know, participate, express and supervise in corporate governance. The Company established the democratic management system with the Employees' Congress as the basic form. The Company organised employees to participate in the democratic management on schedule and by procedure through the Employees' Congress and the Workers' Representative Congress to enable them to listen to important reports on corporate operation and management, and to deliberate on and adopt matters of employees' vital interests. In 2025, Shenwan Hongyuan Securities convened the Fourth and Fifth Sessions of the Second Employees' Congress of Shenwan Hongyuan Securities Co., Ltd., reviewed and approved the *Measures of Shenwan Hongyuan Securities Co., Ltd. for Accountability for Employees' Misconduct (Revised in 2025)*, and elected the employee director of the third Board of Directors. 100% of the full-time employees joined the Trade Union.

The Company ensured unimpeded employee grievance channels and formulated the *Management Measures for the Petitioning and Reporting by the Organisation and Human Resources Department*, clarifying that employees may report matters to the Company's organisation and human resources department through letters, telephone calls, in-person visits, the internet and other means. The scope of acceptance included appeals against organisation and human resources personnel's handling decisions, as well as employees' opinions and suggestions on organisation and human resources work. Petitioning and reporting comprised such processes as acceptance, allocation, lead handling, verification, handling and disciplinary action, and adhered to the principles of "safeguarding rights and interests and strict confidentiality". The Company strictly protected whistleblowers' information and strictly prohibited forwarding petitioning and reporting materials or whistleblowers' information to, or informing, the organisations or individuals concerned. When accepting appeals and conducting verification, the Company ensured that such work was carried out without disclosing the whistleblower's identity, thereby ensuring that appeal handling was standardised and impartial.

The Company regularly carries out satisfaction surveys on supplementary welfare benefits, covering all employees and mainly involving supplementary medical insurance and enterprise annuity. The survey indicators include employees' level of understanding of the supplementary medical insurance scheme, the convenience of claims settlement, participation in the annuity scheme and awareness of account enquiry, as well as their opinions and suggestions on the supplementary welfare plan. In response to the key improvement items raised by employees in the survey, the Company will require suppliers to optimise their services, replace suppliers where necessary, and continuously enhance employee satisfaction with welfare benefits.



ESG

Management and Performance

- Governance Responsibility
- Social Responsibility
- Environmental Responsibility





Governance Responsibility

Strengthening Corporate Governance

Leadership by Party Building

Focusing on the main theme of "high-quality Party building leading and safeguarding high-quality development", the Company consistently integrates the Party's leadership throughout all processes and aspects of its reform and development, continuously promotes the step-by-step consolidation and in-depth implementation of responsibilities for exercising full and rigorous self-governance of the Party, and builds a strong political foundation for the Company to achieve high-quality development.

The Company continues to deepen the integration of the Party's leadership into the entire corporate governance process, strengthens the political gatekeeping role of the Party's leadership over the Company's major operational and management matters, and thoroughly puts into practice the political nature and people-centred nature of financial work. In 2025, the Company formulated the *Key Points for 2025 Ideological and Cultural Publicity* and the *List of Key Tasks for Party Branch (General Party Branch) Committee Members to Perform Their Duties*, and revised the *Detailed Accountability List and Task List for Shenwan Hongyuan's Party Committee to Implement the Main Responsibility for Full and Strict Governance over the Party*, continuously consolidating the foundation for Party building and development.

In 2025, the Company advanced, in a coordinated manner, primary-level Party building, Party conduct and integrity, and ideological and political development. Focusing on primary-level Party organisation development, the Company dynamically optimised organisational setup, selected and strengthened Party leadership teams, strictly controlled the quality of Party member development, strengthened standardisation and digitalisation of Party building, and consolidated the primary-level foundation. In terms of Party conduct and integrity development, the Company strengthened the main responsibility for full and strict governance over the Party, carried out in a solid manner education and study on thoroughly implementing the guiding principles of the Central Eight-point Regulation, and enhanced conduct improvement as well as the prevention and control of integrity risks. In terms of ideological and political development, the Company remained committed to using the Party's innovative theories to forge unity and strengthen its resolve, stepped up publicity for exemplary advanced models and the development of communications platforms, and promoted the translation of learning outcomes into tangible results in serving national strategies and the Company's high-quality development.

Corporate Governance

The Company strictly complies with laws and regulations such as the *Company Law*, the *Securities Law*, and the *Code of Corporate Governance for Listed Companies*, and established a standardised, comprehensive, and robust corporate governance structure; based on the *Articles of Association*, the Company formulated the *Rules of Procedure of the Shareholders' Meetings*, the *Rules of Procedure of the Board of Directors*, and the working rules of special committees of the Board of Directors. The Company strictly performs its duties and operates in compliance with relevant rules and regulations, continuously enhancing the standardisation, institutionalisation, and professionalism of corporate governance. In 2025, the Company completed revisions to the basic corporate governance systems, including the *Articles of Association*, the *Rules of Procedure of the Shareholders' Meeting*, the *Working Rules of the Strategy and ESG Committee of the Board of Directors*, and the *Independent Non-Executive Director System*, further consolidating the foundation of its governance system and continuously enhancing the effectiveness of corporate governance.

The Company formulates the *Policy for Diversity of the Board of Directors*, which considers the diversity of board members in terms of gender, age, cultural and educational background, region, professional experience, skills, knowledge, and tenure of service. The Board of Directors is composed of members of different genders and ages, who have experience, skills and knowledge in economics, finance, accounting, management, law and other fields. As of the end of 2025, the Board of Directors had 11 directors, including 2 executive directors, 5 non-executive directors, and 4 independent non-executive directors. There were 2 female directors, accounting for 18.18% of the total directors.

The Company strengthens the development of directors' performance capabilities and actively carries out directors' training. In 2025, the Company invited external experts to deliver thematic training for all directors under *Listed Company Directors Training 2025*. The content covered topics including directors' roles and responsibilities in ESG, the requirements of the *CG Code* for risk management and internal control, and matters requiring attention by directors under anti-money laundering and counter-terrorist financing regulations, further enhancing directors' professionalism and compliance awareness in performing their duties.

In 2025, the Company was awarded the "Best Practice of the Board of Directors Office" and "Best Practice of Performance Briefing" by the CAPCO, and the "Best Capital Market Communication Award" at the 9th China Excellent IR Awards.

The Company continues to improve the performance assessment and salary management of senior managers, establishes an effective positive incentive and restraint mechanism, and guides the Company toward steady growth, prevent risks, and achieve high-quality development. The Company stipulates that if employees violate laws and regulations, departmental rules and normative documents, industry norms and self-discipline rules, professional ethics and code of conduct generally observed by the industry, or violate the Company's rules and regulations, decisions and resolutions; or fail to do their due diligence and leads to risk events that cause loss of Company assets or other adverse consequences, or violates social order and good customs, moral ethics, or involves other situations that should be held accountable, the Company has the right to deduct the annual performance salary (including deferred performance salary) and order the return of performance salary (project bonus, etc.) according to the accountability measures.

Information Disclosure

The Company strictly complies with regulatory provisions such as the *Administrative Measures for Information Disclosure by Listed Companies* and formulates corporate policies and rules, including the *Management System for Information Disclosure*, the *Investor Relations Management System*, the *Accountability Policy for Material Errors in Information Disclosure of the Annual Report*, the *Guidelines on Information Disclosure Reporting*, and the *Management Measures for Confidentiality*. These efforts are made to continuously improve the quality of information disclosure, protect the right to know and other legitimate rights and interests of investors, especially minority investors, and promote the refinement and effectiveness of investor relations management. In 2025, the Company revised systems such as the *Management System for Information Disclosure* and the *Insider Information Knower Registration Management System*, and continued to improve information disclosure management to protect the legitimate rights and interests of investors.

In 2025, the Company completed the preparation and disclosure of four periodic reports and over 400 interim reports in A and H shares in simplified Chinese, traditional Chinese, and English. The Company's disclosure of significant matters was truthful, accurate, complete, timely, and impartial.

The Company received an A rating in the Shenzhen Stock Exchange 2024-2025 information disclosure assessment.

Communication with Investors

The Company strictly complies with relevant laws and regulations and the *Investor Relations Management System*. Upholding the philosophy of "respecting investors, holding investors in awe and protecting investors," the Company standardises and efficiently carries out investor relations management. It receives investor consultation through convenient communication platforms such as website, investor hotline, email, and Shenzhen Stock Exchange's interaction platform and listens carefully to investors' opinions and suggestions. In 2025, the Company answered 15 investors' questions on Shenzhen Stock Exchange's interaction platform, with a response rate of 100%.

In 2025, the Company held 2 results briefings, participated in the 2025 online collective reception day for investors of listed companies in Xinjiang once, and hosted seven investor meetings and brokerage strategy conferences. The annual results briefings were done by a combination of live video streaming and text interaction. Seven leaders, including Chairman, independent directors, Chief Financial Officer, and heads from the business management lines of Shenwan Hongyuan Securities, attended the briefings to interpret the annual performance. Small and medium-sized investors participated in the meeting online and interacted with the Company. Leaders fully addressed investors' questions and concerns, and conveyed confidence in high-quality development to the capital market.

Investor Returns

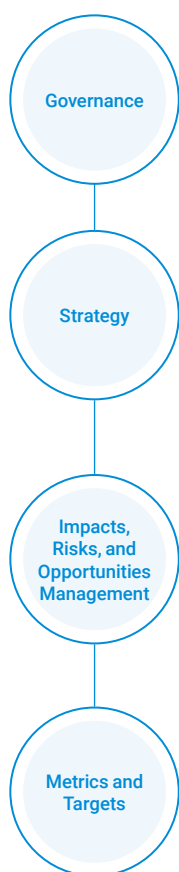
The Company attaches great importance to investor returns and enhances investors' sense of acquisition through continuous and stable dividends. Taking into account the return to shareholders and the needs for business development, the Company formulated a profit distribution plan for 2024 and an interim profit distribution plan for 2025. In August 2025, the Company implemented the profit distribution for 2024, and paid a total cash dividend of RMB1,152 million at RMB0.46 (tax inclusive) per 10 shares to the A share and H share shareholders registered on the share registration date. An interim dividend for 2025 was paid in December 2025. The Company paid a total cash dividend of RMB876 million at RMB0.35 (tax inclusive) per 10 shares to the A-share and H-share shareholders registered on the share registration date. The two cash dividends added up to RMB2,028 million, fully demonstrating the Company's emphasis on shareholder returns.

The Company had fully redeemed the principal and paid interest on matured bonds and fully paid interest incurred on unmatured bonds, effectively protecting the interests of creditors.

Comprehensive Risk Management

The Company issued the *Guiding Opinions on Strengthening the Effectiveness of Risk Management to Write a New Chapter in Comprehensive Risk Management Reform*, which made clear the overall principle of the effectiveness of risk management, and promoted the construction of a "1+N+X" comprehensive risk management reform framework centring on the effectiveness of risk management. The Company established the risk management philosophy of "Preparedness for potential dangers and operational risks for the creation of value," so as to comprehensively enhance the scientific, systematic, and effective level of risk management.

Comprehensive Risk Management System of Shenwan Hongyuan



- Formulate the *Risk Management System* and other internal systems, build the organisational structure for risk management, and improve the three lines of defence mechanism for risk management. The Company has established clear division of responsibilities at all levels, fully implementing various risk management duties.

- Based on the analysis of macroeconomic situation, industry development trend, regulatory environment and the Company's own situation, major risk factors facing the Company mainly include market risk, credit risk, liquidity risk, etc. For the specific risk types, please refer to the *2025 Annual Report of Shenwan Hongyuan Group Co., Ltd.*
- Following the prudent and sound management and long-term principles, the Company establishes a group-wide risk management system featuring "all aspects, all employees, whole process, and full coverage" to strengthen the integration of risk management and business management. The Company constantly improves its risk policy, optimises risk identification and response measures, and effectively controls operational risks.

- The Company establishes a risk management process of "risk identification, risk assessment, risk monitoring, and risk response."
- For the identified risks, the Company formulates appropriate control measures to continuously improve the risk management capabilities. Detailed measures for enterprise-wide risk management can be found in the *2025 Annual Report of Shenwan Hongyuan Group Co., Ltd.* while detailed measures for ESG risk management can be found in the section "*ESG Risk Management*".

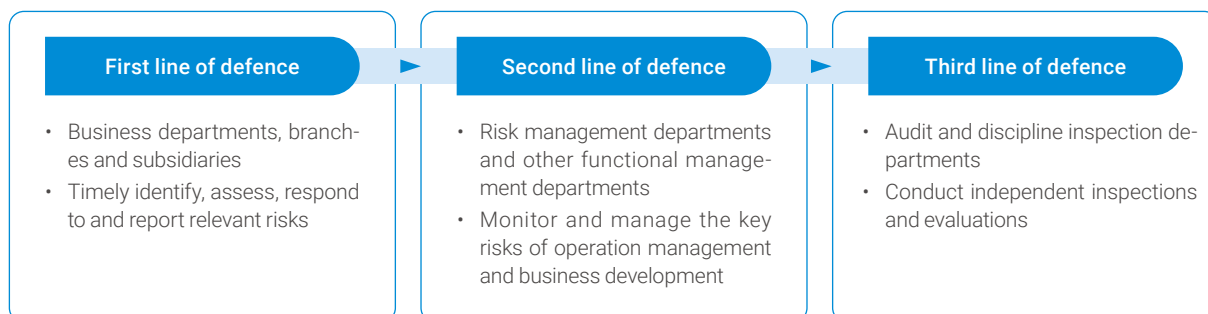
- The Company formulates risk management targets; specifically, under the premise of measurable, controllable and tolerable risks, the Company creates value to maximise risk-adjusted returns by taking appropriate risks, proactively managing risks, and seeking the best balance point between risks and returns, thus facilitating the sustainable, stable and healthy development.
- The Company dynamically monitors core risk control metrics such as risk coverage ratio, capital leverage ratio, liquidity coverage ratio, and net stable funding ratio. The above metrics for 2025 were better than regulatory standards.

RISK MANAGEMENT

The Company takes the *Risk Management System* as the underlying policy, and establishes a comprehensive risk management system covering the Group and spanning the full business process. In support of this, the Company has formulated and implemented various specialised risk management measures for market, credit, liquidity, operational, reputational, and other types of risks, as well as business-level operating procedures and specific risk management systems.

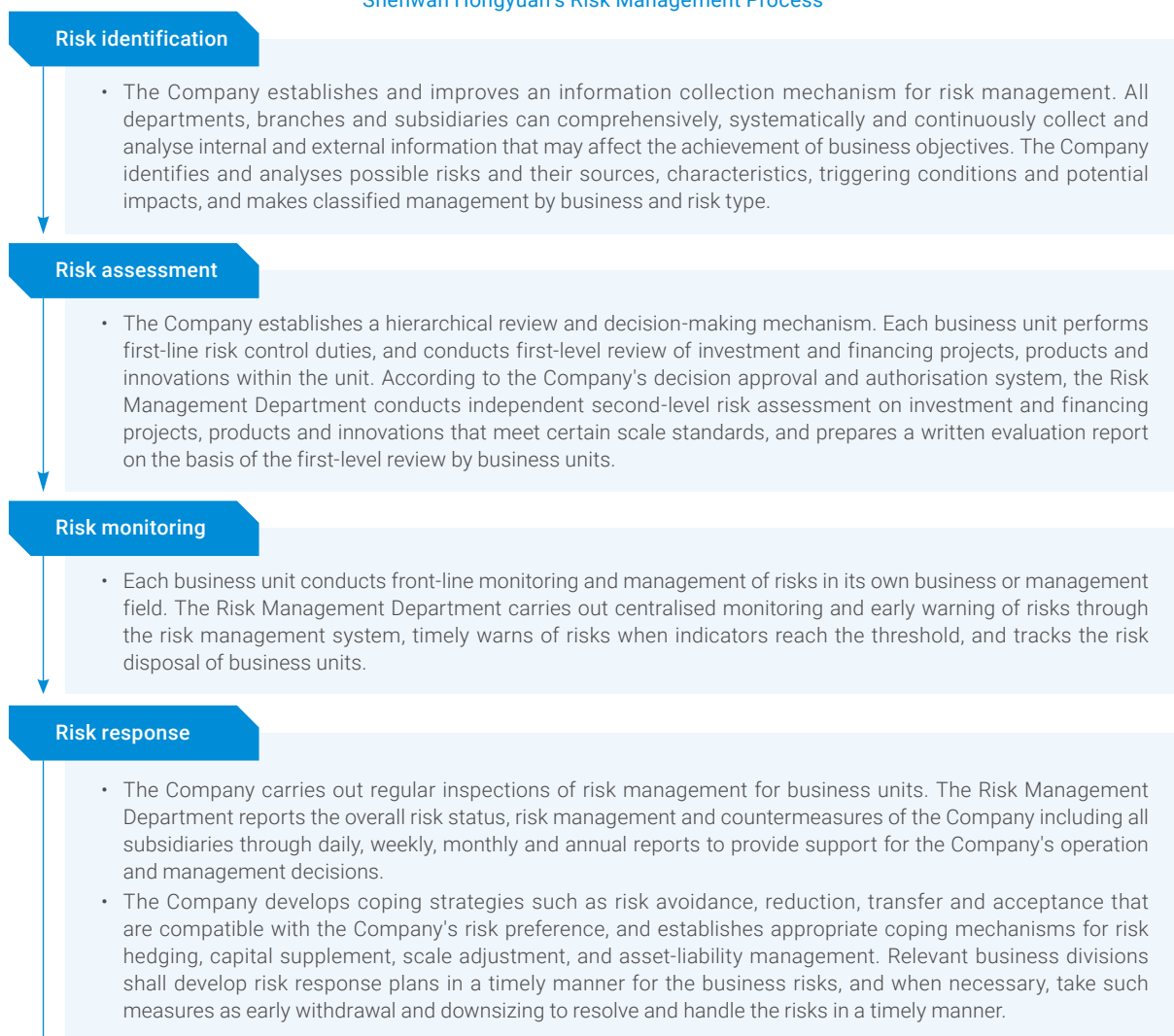
In response to changes in the market environment, strategic objectives, and the realities of business development, the Company has established and continuously applied a management framework of "risk preference - risk tolerance - risk limit", promoting the effective transmission of risk management requirements to the business front end and operational decision-making processes. Through establishing a group-wide and look-through risk management system, the Company improved a multi-tier risk management organisational structure and the "Three Lines of Defence" mechanism, and strengthened the implementation of frontline risk responsibilities and risk management at the front end.

Shenwan Hongyuan's Three Lines of Defence Mechanism for Risk Management



The Company establishes a sound risk management process, covering four stages of risk identification, assessment, monitoring, and response. In this way, the Company maintains a good risk perception in all aspects of business development, and effectively prevents and defuses risks and challenges to achieve long-term and stable development.

Shenwan Hongyuan's Risk Management Process



Shenwan Hongyuan's Priorities for Risk Management in 2025

Strengthening risk review

- The Company conducts risk screening in key business areas and carries out routine risk management inspections of business units.
- The Company carries out dynamic risk screening around risk points such as overseas operation risks and interest rate and market volatility risks.
- For business units involving unlisted equity investments, the Company organises special screening of the risk status of relevant existing projects, and urges the strengthening of risk response and handling.

Linking risk management to employee performance

- The Company establishes a total performance assessment system covering the effectiveness of risk management. The Company establishes and improves an economic capital management mechanism, and gradually implements an asset allocation and performance evaluation mechanism based on risk-adjusted returns.
- The Company incorporates risk management into the performance assessment of all departments, branches and subsidiaries, and links their rewards and punishments and the remuneration of employees to the assessment results of risk management.

Strengthening the risk penetration management of subsidiaries

- Under the system of "risk preference - risk tolerance - risk limit", the Company formulates risk limits and implementation rules for subsidiaries, reviews key risk management systems, and extends internal credit rating, concentration management, and negative list mechanisms to all subsidiaries.
- Through monthly and annual risk reports, as well as research and communication mechanisms, the Company monitors the risk conditions of subsidiaries, incorporates risk management into the performance assessment of subsidiary heads, and automatically collects data on financial, business, and risk indicators on a daily basis to independently monitor and provide early warnings on the implementation of risk limits.

Risk management audit

- The Company employs an external third-party audit institution to conduct a financial audit every year, covering the corporate risk management.
- Shenwan Hongyuan Securities regularly carries out comprehensive risk management audits to review and evaluate the adequacy and effectiveness of the enterprise-wide risk management independently and objectively.

Building digital risk control capabilities

- The Company implements an information technology application innovation for the risk management platform, completes the migration of data tables and the corresponding data conversion programmes, fully leverages the advantages of distributed databases, and enhances the platform's computing capability and system stability.
- The Company promotes the joint development and sharing of risk management-related systems, urges subsidiaries to improve system development, reviews role-based access rights, adds a detailed query function for investment and financing positions, and formulates a data collection optimisation plan.

Promoting risk culture

- The Company convened the 2025 work meeting on comprehensive risk management, promoted the risk management culture, and supported and ensured higher-quality business development.
- The Company organised 10 sessions of thematic training under a risk management training series, focusing on topics such as risk policies and the macroeconomic situation, industry development trends, and market hotspots, to enhance risk management personnel's overall perspective and prevention and control capabilities.
- The Company compiled and distributed the *Risk Case Handbook*, analysing and providing warnings based on a hundred typical cases, reminding business units to pay attention to high-frequency risk processes and promoting risk culture concepts.

Managing new business risks

- The Company strengthens the review of innovative business (products), improves the relevant supporting system, and incorporates the new business, model and products of subsidiaries into the hierarchical review and decision-making system. Based on the first-level assessment of the subsidiary, the Risk Management Department conducts the second-level assessment and review.
- The Company integrates the risk monitoring and early warning of innovative business (products) into the daily risk management, and adjusts the control threshold dynamically according to the service operation.
- The Company strengthens the construction of information technology systems for innovative business (products), continuously improves the system functions such as business management and risk monitoring, and effectively leverages systems to provide support and assurance for business operations.
- The Company regularly carries out innovative business (products) tracking management, and evaluates retrospectively the risk-return profile and the effectiveness of risk control measures.

ESG Risk Management

ESG risks refer to the potential adverse impacts that environmental, social, and corporate governance factors may have on the compliance of the Company's investment and financing activities, asset security, reputation, and sustainable operating capability. The Company incorporates ESG risk management into the comprehensive risk management system and fully considers ESG risks in the course of conducting investment and financing activities. In investment banking and financing business, the Company incorporates ESG factors into all aspects of risk management, including project screening and due diligence, and effectively controls the relevant ESG risks in business. For details of ESG risk management measures for investment-related businesses, please refer to the "Devoting to Responsible Investment" section.

Key Measures of Shenwan Hongyuan for ESG Risk Management Measures for Financing Business

<p>Strict control of risk access</p>	<ul style="list-style-type: none"> • For industries with high environmental and climate risks, the Company develops the report titled <i>Industry Risk Analysis under Carbon Neutrality</i>. The report analyses the impact of policies on the macro economy, industries, and key enterprises, and focuses on the upgrading and transformation pressure that traditional high-carbon industries (thermal power, coal, non-ferrous metals, and petrochemical engineering) may be confronted with in the process of transformation toward green and low-carbon development. The Company puts entities with violations of laws and regulations, or subject to serious penalties from regulators, integrity problems, etc., in the negative list of special attention or restrictions. • For issuers in the coal industry, new coal production capacity projects in violation of relevant policy requirements, projects that fail to resolve coal overcapacity in accordance with relevant policy requirements, and related projects with unsafe production/illegal construction/inferior coal shall be rejected. • The Company conducts an outlook analysis of credit risks in various industries, setting the credit risk outlook of the planting industry, fishery, forestry, paper-making, cement, plain carbon steel and other high ESG industries as "prudent" or "avoided," and applying them to the internal rating. • For fixed-income securities underwriting, projects with high ESG risk (including but not limited to agriculture, biodiversity, energy use, mining, oil and gas and other industries) will not be approved, unless reasonable explanations are made and relevant negative factors have been eliminated.
<p>ESG due diligence</p>	<ul style="list-style-type: none"> • The Company develops the <i>Environmental and Climate Risk Management Measures</i>, clarifying the responsibilities of the three lines of defence for environmental and climate risk management. In the process of investment and financing development, business units shall include environment and climate risk-related content in the scope of due diligence based on business risk characteristics, and fully assess and monitor the levels of such environmental and climate risks. • For the fixed-income securities underwriting, the Company develops ESG due diligence policies. The Quality Control and Compliance Department under the Fixed Income Financing Headquarters is responsible for project review, and takes the ESG due diligence evaluation results as one of the influencing factors of customer credit risks.
<p>Risk triggering and reporting</p>	<ul style="list-style-type: none"> • The Company incorporates ESG risk factors into risk management tools such as internal rating system and negative list. When the monitoring finds that the business entity has major environmental safety accidents, continuous environmental penalties and other circumstances, which seriously affect the credit level of the main entity, the Company shall downgrade its internal rating when necessary, or include it in the negative list. • All business units should strictly implement the relevant management policy and process requirements to ensure the effective use of risk monitoring. In case of an environmental and climate risk event, the relevant unit shall strictly follow the reporting procedures in accordance with the <i>Guidelines for Reporting Risk Events</i>.

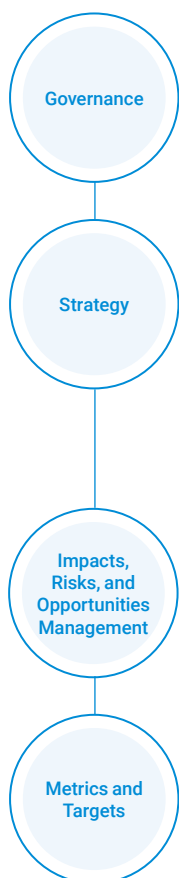
The Company preliminarily establishes and continuously improves its ESG due diligence system, and closely monitors policy and regulatory trends related to risks such as environmental and climate risks. In project assessments for credit and investment banking business, the Company continues to deepen the comprehensiveness and scientific rigour of due diligence, and strengthens its capabilities to identify, assess, and manage potential ESG risks.

Shenwan Hongyuan's Key Points in ESG Due Diligence

Stock pledge	The Company shall perform due diligence on the financing objects involved, the use of proceeds, and whether the listed companies in which the underlying securities are located conform to the national strategy and industrial policy.
Bond underwriting	The Company shall perform due diligence on the approval of the project by the relevant authorities (feasibility approval, land, planning, environmental assessment, stability risk assessment, etc.), and the integrity of the issuers and their controlling shareholders.
Stock IPO	The Company shall perform due diligence on the issuers' work safety, environmental protection, corporate governance and independence, investor protection, etc.

Regulated Business Practices

The Code of Business Conduct is an important cornerstone of the Company's operations and management, and is related to the implementation of basic principles such as integrity in business operations and fair competition. The Company continuously strengthens the management of business conduct, improves systems and practices on anti-corruption, anti-money laundering, whistleblower protection, and anti-unfair competition, and safeguards its steady development.



Business Behaviour Management System of Shenwan Hongyuan

- The Company establishes a sound governance structure and system for anti-corruption, anti-money laundering, whistleblower protection, anti-unfair competition and other aspects.
- Any irregularities or improper operations in the business conduct will increase the risk of legal action and regulatory penalties, and may also lead to reputational damage. If not properly managed, the risk may have a financial impact such as an increase in the Company's operating costs and financing costs.
- With a view to preventing risks related to business conduct, the Company establishes the concept of integrity practice for all employees, implements the management responsibility of integrity practice, and forms a risk prevention and control mechanism focusing on prevention, comprehensive policies, addressing both the symptoms and root causes of corruption, and overall planning and coordination. The Company earnestly performs its anti-money laundering duties, continuously optimises the working mechanism for anti-money laundering, and perfects the functions of anti-money laundering system to constantly improve the quality of anti-money laundering. The Company establishes and improves a whistleblower protection and anti-unfair competition management system.
- For anti-corruption management in business practices, the Company focuses on the development of risk management processes, and organises a comprehensive review and assessment of the integrity risk points and prevention and control mechanisms of all units every year. By taking into account the harm degree and possibility of integrity risks, the Company determines the integrity risk points and risk levels, and analyses and evaluates the soundness and effectiveness of the appropriate risk prevention and control measures.
- The Company strengthens the management of anti-corruption, anti-money laundering, whistleblower protection, anti-unfair competition and other aspects to regulate business practices.
- For the management of business practices, the Company sets up a number of qualitative management objectives in anti-corruption, anti-money laundering, anti-unfair competition, and other aspects.
- The Company regularly monitors quantitative indicators such as the number of anti-corruption training sessions, the number of training hours, and the number of participants to evaluate the attainment of targets. Quantified performance is detailed in the "Anti-Corruption Performance Indicators".

Anti-corruption

The Company strictly implements the *Supervision Law of the People's Republic of China* as well as regulatory provisions of securities and futures business institutions and listed companies on integrity practice, and firmly establishes the concept of integrity finance. The Company formulates the *Integrity Practice Management Policy*, the *Implementation Rules for the Integrity Practice Management* and other policies to effectively strengthen the supervision and management of integrity in practice, reinforce employees' integrity and compliant practice, and prohibit corruption and bribery in all forms, including kickbacks. The Company's Disciplinary Committee advances the "three non-corruption" initiative in a coordinated manner, rigorously investigating and punishing financial corruption. The Company thoroughly examines typical problems of "exploiting financial positions for personal gain," maintains a sharp focus on key areas, and intensifies efforts in clue discovery, case investigation, and special rectification. Efforts are deepened to rectify misconduct and corruption problems that occur at the grassroots level. In 2025, there were no closed corruption lawsuits against the Company or employees, nor conflicts of interest.

The Company proactively establishes a long-term mechanism for integrity risk prevention and control, and builds an integrity risk prevention and control system under the unified leadership of the Party committee, the joint administration of the Party committees and governments, the special supervision of the discipline inspection commission, and the organisation and coordination of functional departments, with each unit performing their own functions and duties. The Board of Directors assumes the ultimate responsibility for integrity risk management and the Executive Committee is the first responsible body for the implementation of integrity practice management responsibilities. Business departments, functional departments, and audit departments have established three lines of defence for integrity risk prevention and control.

Key Measures of Shenwan Hongyuan to Develop Integrity Practice in 2025

Integrity risk screening and assessment

- The Company organised and carried out the special inspection, screening, and assessment on integrity risks for 2025, and prepared and issued the *Integrity Risk Prevention and Control Manual (2025)*.
- The Company updated and improved integrity risk prevention and control measures by conducting integrity risk point screening focusing on key areas, critical positions, important matters, key personnel, and critical processes.

Development of a culture of integrity

- The Company continues to promote the value concept of "Integrity Practice, No Corruption" to all employees through special sessions, compliance training, warning education and other forms, and advocates a culture of integrity and compliance. All employees are required to sign the *Employee Commitment to Compliance Practice, Integrity Practice, and Honest Practice* to establish their standardised practice awareness.
- The Company strengthens the integrity and discipline awareness in managers and employees through semi-annual and annual meetings on Party building and Party style and integrity governance construction.
- In 2025, the Company conducted online training for all employees, including contractors, on "Practising the 'Five Dos and Five Don'ts' Culture, Upholding Integrity and Honest Practice: Relevant Provisions and Case Studies on Integrity and Honest Practice and Professional Ethics for Securities Companies". The number of participants exceeded 12,000. The Company held a warning education conference for all employees (including contractors), circulated typical cases of non-compliance, breaches of discipline, and illegal conduct, and strengthened efforts to draw lessons from cases, promote rectification through cases, and advance governance through cases.
- The research project titled "Research on the Integrity Culture-Driven Mechanism for Advancing Anti-Corruption and Risk Prevention in the Investment Banking Sector" has been successfully registered as a key research topic of the Securities Association of China for the year 2025.

Integrity Supervision and Risk Prevention and Control

- The Company has established and improved a hierarchical internal supervision and inspection mechanism for integrity practice. The units to which the employees belong shall carry out daily supervision over the practice behaviours of their own employees. Relevant functional departments such as legal compliance shall include the integrity practice of the employees in the inspection and self-inspection to carry out functional supervision. Audit and Party committee inspection will incorporate the integrity of employees into the scope of audit and inspection for duty performance supervision, and discipline inspection conducts "supervision and re-supervision".

Anti-Money Laundering

In strict accordance with the *Law on Anti-Money Laundering*, the *Guidelines for the Management of Money Laundering and Terrorist Financing Risks of Corporate Financial Institutions* and other laws and regulatory requirements, the Company formulates internal systems, including the *Management System on Money Laundering and Terrorist Financing Risks*, the *Management Measures for Money Laundering and Terrorist Financing Risks*, the *Operating Procedures for the Assessment of Money Laundering and Terrorist Financing Risks of Customers and Businesses*, and the *Procedures for Self-Assessment of Money Laundering and Terrorist Financing Risks*. In 2025, the Company revised the *Management System on Money Laundering and Terrorist Financing Risks*, further strengthening the foundation of the anti-money laundering management system.

The Company has established an anti-money laundering risk management structure composed of the Board of Directors and its special committees, the business management, business headquarters and branches, the Legal Compliance Department, and relevant functional management departments to fully implement the responsibilities for money laundering risk management.

The Company adheres to a "risk-based" method for money laundering risk management, and establishes and improves the money laundering risk assessment system. The Company conducts regular risk assessments and improves relevant management systems and operating processes. Based on the assessment results, the Company reasonably allocates management resources and implements end-to-end monitoring and control, to keep anti-money laundering measures commensurate with actual risks. The Company deploys management resources with a focus on high-risk areas, and continuously strengthens customer due diligence, transaction monitoring, and internal training, to drive ongoing improvement in all employees' compliance awareness and risk prevention and control capabilities. In 2025, the Company identified no material money laundering risk incidents in anti-money laundering management, nor did any material administrative penalties occur.

Key Practice of Shenwan Hongyuan in Anti-Money Laundering in 2025

Self-assessment of money laundering risks

- The Company establishes a money laundering risk assessment mechanism to assess money laundering risks across dimensions such as geography, customers, business, and channels. At the same time, the Company assesses the effectiveness of control measures, thereby determining the final residual level of money laundering risk, and submits it to the Board of Directors for approval.
- The Company makes effective use of assessment results by strengthening the allocation of various resources in high-risk areas, prioritising the allocation of anti-money laundering resources to high-risk areas, and correspondingly adjusting risk management strategies, policies, and procedures, to achieve effective prevention and control of money laundering risks.

Customer risk rating

- The Company establishes an anti-money laundering system and sets an indicator threshold. The Company calculates the customer risk level based on the customer information, transaction and fund data pushed by the data warehouse to the anti-money laundering system. The Company conducts centralised audits on the risk rating, adjustment and regular audit process of customers with higher risks and above.
- The results of risk classification shall be applied to anti-money laundering efforts such as customer due diligence and suspicious transaction monitoring.

Suspicious transaction monitoring

- With respect to quantifiable criteria for suspicious transactions, the Company establishes a monitoring index system, and carries out the monitoring and screening of suspicious transaction through the anti-money laundering system. In case of unquantifiable criteria for suspicious transactions, the Company embeds suspicious transaction monitoring standards into the business process, and strengthens attention to exceptions in the business development to identify and report suspicious transactions in a timely manner.

Clarifying the document retention period

- In the *Management Measures for Money Laundering and Terrorist Financing Risks*, the Company clearly stipulates that, where customer identity materials and transaction records involve suspicious transaction activities that are under anti-money laundering investigation, the relevant customer identity materials and transaction records shall be retained until the conclusion of the anti-money laundering investigation.

Publicity and training of anti-money laundering

- The Company organised and carried out a total of 2,629 anti-money laundering-related training sessions for internal employees, and distributed 41,901 promotional leaflets in total. Anti-money laundering promotion activities recorded 5,293,174 participants.
- In 2025, focusing on the newly revised *Law on Anti-Money Laundering* and the Financial Action Task Force (FATF) international mutual evaluation, the Company recorded a series of the latest anti-money laundering courses for a wide range of employees, including managers, marketing staff, counter staff, and anti-money laundering personnel. These courses were launched on the learning platform and comprehensive training was carried out.
- The Company established the Jilin Changchun Anti-Money Laundering Publicity and Education Base, focusing on the core objective of "popularising anti-money laundering knowledge", and innovatively carried out diversified publicity and education activities, covering key groups such as university teachers and students and rural residents. As of the end of 2025, the publicity and education base held 24 offline investor education activities, serving a total of 3,838 investor attendances.

Whistleblower Protection

The Company formulated internal systems such as the *Administrative Measures for Petitions*, the *Measures for the Administrative Measures for Petitions and Whistleblowing to Discipline Inspectors (Trial)*, and the *Measures for the Acceptance and Handling of Petitions and Whistleblowing to Discipline Inspectors (Trial)* to standardise the procedures for reporting acceptance, and to ensure that work on petitions and whistleblowing is conducted in a standardised and orderly manner. The Company established reporting channels, allowing stakeholders to report matters to the Company through information networks, letters, telephone calls, and other means, to ensure the comprehensiveness and transparency of whistleblowing management. In accordance with the *Disciplinary Committee Supervision and Enforcement Work Procedures*, disciplinary agencies at all levels within the Company uniformly receive reports and complaints via letters and visits regarding suspected disciplinary violations by Party organizations and Party members. They propose handling suggestions based on four methods, including conversation and inquiry, preliminary verification, temporary storage pending investigation, and case closure. When the preliminary verification method is adopted, the Company's disciplinary agency formulates a work plan, establishes a verification team, takes necessary measures to gather evidence, and conducts interviews with relevant personnel to understand the situation. Upon completion of the preliminary verification, a preliminary verification report is prepared, and recommendations for handling and disposal are proposed.

The Company clearly stipulates in the *Measures for the Acceptance and Handling of Petitions and Whistleblowing to Discipline Inspectors (Trial)* that the discipline inspection staff shall "observe the rules on confidentiality, neither disclosing the names of the petitioners and whistleblowers and the content, acceptance and handling of the petitions and whistleblowing, nor disclosing or spreading the content that the petitioners and whistleblowers request for confidentiality and may cause damage to the rights and interests of the petitioners and whistleblowers" and "No departments (units) or individuals shall, for any reason, suppress, discriminate against or create obstacles against petitioners."

Anti-unfair Competition

The Company develops a comprehensive management system to prevent unfair competition, covering key processes such as responsible marketing and intellectual property protection.

In terms of responsible marketing, the Company develops the *Administrative Measures for Financial Marketing and Promotion*, the *Administrative Measures for Securities Brokerage Business*, and the *Administrative Measures for the Protection of Investors' Rights and Interests*. The systems specify the relevant rights enjoyed by investors, such as the right to know, the right to choose independently, and the right of fair trade. These systems list relevant prohibited behaviours for the financial marketing publicity and securities brokerage business, for example, the Company shall neither carry out financial marketing publicity in a way that harms fair competition, nor use unfair competition methods such as denigrating other securities companies to solicit investors, and define specific control measures. For details, please refer to the section "Responsible Marketing".

In terms of intellectual property protection, in compliance with the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, and the *Administrative Measures for Internet Information Services*, the Company has formulated internal management standards such as the *Model Provisions on Information Security* and the *Model Provisions on Attribution of Intellectual Property Rights* to clarify the ownership and protection of intellectual property rights, and to effectively protect the intellectual property rights of the Company, customers, and third-party partners. In 2025, the Company issued the *Compliance Reminder Letter [Intellectual Property Compliance]*, explicitly advising all units on the standardised use of fonts, images, computer software, trademarks and other matters that are authorised by the copyright holders, thereby further strengthening intellectual property compliance awareness and management requirements.

In 2025, there were no lawsuits or major administrative penalties due to the act of unfair competition.

Compliance and Internal Control Management

The Company earnestly implements regulatory requirements such as the *Measures on Compliance Management of Securities Companies and Securities Investment Fund Management Companies* and the *Guidelines on Compliance Management for Securities Companies*. The Company continuously improves the compliance management system, refines the organisational structure of compliance management, and continuously promotes compliance management to ensure the stable operations of business in accordance with laws and regulations.

The Company establishes an organisational system for compliance management composed of the Board of Directors and its special committees, the Executive Committee, the Chief Compliance Officer/leaders with specific duties, the compliance department, departments, branches and subsidiaries. The Company formulates internal management systems such as the *Measures for the Administration of Compliance Management* and the *Measures for the Administration of Rules and Regulations*, systematically standardising compliance management processes and requirements. In 2025, the Company revised the *Basic Compliance Management System*, the *Measures for the Administration of Legal Affairs*, and the *Measures for Accountability for Employee Violations (Trial)*, further clarifying the determination of accountability for non-compliant conduct and disciplinary actions, and continuously enhancing the standardisation and effectiveness of compliance management.

In 2025, through compliance reviews, compliance communications, and other measures, the Company strengthened control capabilities in key areas, continued to enhance the effectiveness of compliance management, and provided a solid safeguard for its steady development. In 2025, the Company had no major compliance risk events and the overall compliance status continued to be good.

Shenwan Hongyuan's Priorities for Compliance Management in 2025

<p>Doing a good job in compliance review</p>	<ul style="list-style-type: none"> The Company strengthens compliance review and risk prevention and control for key business and critical processes, and conducts comprehensive and systematic reviews of contracts and institutional processes. For investment banking projects, the Company strictly implements the conflict of interest review mechanism. Meanwhile, the Company prudently reviews all types of investment banking filing projects, including corporate bonds, financial bonds, and non-financial enterprise debt financing instruments, as well as related post-period matters and pre-issuance condition confirmation matters.
<p>Strengthening the development of the compliance team</p>	<ul style="list-style-type: none"> The Company continuously strengthens the compliance team development, steadily advances the implementation of certification requirements for compliance personnel, carries out follow-up training for the 2024 and 2025 certification programmes, and conducts routine certification examinations, thereby continuously enhancing the professional capabilities and performance standards of the compliance personnel.
<p>Promoting compliance culture</p>	<ul style="list-style-type: none"> The Company prepared and issued advocacy documents such as the <i>Regulatory Cases</i>, the <i>Legal Compliance Information Newsletter</i>, and the <i>New Regulation Express</i>. The Company organised and carried out a number of thematic training sessions, including special training for compliance officers and branch compliance management.

Held a Thematic Training Session for Compliance Officers in 2025

In September 2025, Shenwan Hongyuan Securities held its annual thematic training session for compliance officers, covering more than 100 compliance officers from business divisions, subsidiaries and branches, and functional departments. Experts from the Shanghai Securities Association were invited to deliver training on typical issues relating to industry self-regulatory compliance inspections and dispute mediation. At the session, the Legal and Compliance Headquarters provided systematic briefings on the overall requirements for compliance management, professional conduct of practitioners, anti-money laundering, management of customer trading behaviour, and compliance inspections, assessments, and accountability, and also organised exchanges and discussions. Li Xuefeng, the Company's Chief Compliance Officer, proposed work requirements in light of changes in the situation, including adhering to a regulatory orientation, proactive compliance, professional empowerment, and a steady and prudent approach, thereby promoting the development of a compliance culture and the continuous enhancement of compliance capabilities.



Shenwan Hongyuan Securities' Thematic Training Session for Compliance Officers in 2025



Social Responsibility

Protection of Investor Rights and Interests

Responsible Marketing

The Company earnestly implemented the *Securities Investment Fund Law of the People's Republic of China*, the *Administrative Measures for Securities Brokerage Business*, the *Measures for the Supervision over and Administration of Publicly Offered Securities Fund Distribution Agencies*, the *Interim Provisions on the Administration of Promotional Materials for Publicly Offered Securities Investment Funds*, the *Administrative Measures for Fundraising of Private Equity Funds* and other applicable laws and regulations. The Company formulated and perfected relevant systems, including the *Administrative Measures for Securities Brokerage Business*, the *Working Rules of the Review Panel for Sales of Financial Products (Revised in 2025)*, the *Administrative Measures for Agency Sales of Private Financial Products (Revised in 2025)*, the *Administrative Measures for the Distribution of Publicly Offered Funds*, and the *Administrative Measures for Financial Marketing and Promotion*.

The Company clearly required that the marketing and promotion of financial products should adhere to the philosophy of long-term investment and the principles of objectivity, truthfulness and accuracy. The Company formulated the review rules for marketing materials for financial products and established a multi-dimensional review system involving managers, financial products and investment managers. The Company conducted centralised management of the sales of financial products, included the compliance of marketing into day-to-day assessment of employees, and kept regulating the sales and service of financial products distributed by the Company.

In 2025, the Company committed neither violations regarding product or service information or marks, nor any marketing non-compliances.

Suitability Management

The Company earnestly implemented the *Administrative Measures for Suitability of Securities and Futures Investors*, the *Guidelines for the Implementation of Investor Suitability Management of Securities Operators (Trial)*, the *Measures for the Supervision over and Administration of Publicly Offered Securities Fund Distribution Agencies* and other external regulations. The Company formulated and revised a number of internal policies and implementation rules, including the *Administrative Measures for Investor Suitability (2023 Revision)*, the *Implementation Rules for Investor Suitability Management and Investor Education for Real Estate Investment Trust (REITs)*, the *Implementation Rules for Investor Suitability Management and Investor Education for Convertible Corporate Bonds*, the *Manual on Customer Visits (2023 Revision)*, the *Guidelines on Handling Investor Complaints*, and the *Typical Cases of Complaint Handling in Branches*. The Company carried out practices of investor suitability management to ensure compliance with the principles of risk matching, prudence and compliance and to ensure sale of financial products and services commensurate with investors' ability to identify and take risks, thus guiding customers toward rational investing and effectively protecting investors' rights and interests.

Investor Education

The Company continues to improve investor education. Adhering to the concept of "meeting the growing wealth management needs of investors" and "growing with the value of client assets," the Company, based on the physical investor education base, establishes an investor education mode featuring "coordination of headquarters and branches, combination of online and offline channels, and collaboration between the Company and external organisations" to guide investors to develop sound investment concepts.

The Company has built a "1+4+N" matrix (i.e., one investor education base at the national level, four investor education bases at the provincial level, and N investor education stations in branches across China) for investor protection by relying on the state-level investor education base in Shanghai. In 2025, the Company continued to strengthen cooperation with external institutions such as securities regulatory authorities, industry self-regulatory organisations, enterprises and public institutions, schools, and media outlets, and continuously expanded the breadth and depth of investor education efforts. Throughout the year, the Company held 5,397 special investor education activities for individuals and families, cumulatively reaching 40,192,819 minority investors.

Key Practice of Shenwan Hongyuan in Investor Education in 2025

Striving to make investor education included in the national education system

Investment education in 100 schools:

- The Company developed financial literacy education courses for primary and secondary school students, namely "If Wealth is a Mountain" and "Secrets of the Money Kingdom". The investor education base introduced financial literacy education to 52 primary and secondary schools, reaching a total of 6,151 students and conducting 79 financial literacy education activities.



*If Wealth is a Mountain:
Teen Financial Literacy
Enlightenment*



Secrets of the Money Kingdom



Financial Literacy Education on Campus Series
Activities

- The Company established cooperative relationships with 154 universities, including Fudan University, Shanghai Jiao Tong University, and Tongji University, and held 358 on-campus investor education activities, covering a total of 45,422 college students.
- Shenwan Hongyuan Securities, together with the Shanghai Ocean University at its investor education base, held the featured investor education activities of the "Seedling Plan" financial literacy studio. It conducted financial literacy lectures and training for on-campus students, and invited renowned financial literacy experts on the market to deliver explanations based on the Company's financial literacy picture books and investment education handbooks. After training, members extensively engaged in youth classes such as community parent-child activities, interest classes in primary and secondary schools, and summer care classes.

In-depth practice of "industry-education integration":

- As the only securities company selected for the pilot programme of industry-education integration enterprises by the Shanghai Municipal Development and Reform Commission, since 2021 Shenwan Hongyuan Securities has signed the *Cooperation Agreement on Joint Construction of an Industry-Education Integration Investment Education Base* with Shanghai Ocean University. The jointly offered *Financial Markets* elective course had, as of 2025, been delivered for 10 semesters.
- Since Shenwan Hongyuan Securities, the Shanghai Stock Exchange, and the School of Management of Fudan University jointly signed the *Cooperation Memorandum on Advancing the Project to Incorporate Investment Education into the National Education System*. Together with the two institutions, the Company has continuously run tripartite joint practical courses for four consecutive years, as well as featured activities such as the first lesson on anti-illegal financial activities at the start of term, the SSE Cup University ETF Competition, co-creation of investment education micro-films, and the Shengsheng Buxi Reading Festival. As of 2025, 30 sessions of related courses had been carried out on a regular basis, reaching more than 2,100 attendances.

Innovative formats for investor education materials

- In terms of investor education communication channels, around 15 March, the Investor Education Base held the "365 Days Beyond 15 March: Release of Shenwan Hongyuan's Investor Rights and Interests Protection System" cloud live-streaming festival, inviting senior investment advisers and analysts to participate, attracting over 330,000 viewers.
- In terms of content creation, the Investor Education Base provided full life-cycle investor education services for investors across different age groups, innovatively creating the "To Series IP", integrating content including basic investment knowledge and advanced investment methodologies and asset allocation into four major chapters, namely *To Youth*, *To Setting Sail*, *To Prime Years*, and *To Time*. Through various formats such as university student vlogs, a series of short dramas, and investment adviser interviews, it delivered knowledge on ETFs, investment methodologies, asset allocation theories, and personal pension.
- The Investor Education Base promptly tracked changes in new systems and new rules. On the day the growth tier of the STAR Market was launched, it produced *Major Reform of the STAR Market: Comprehensive Analysis of Establishing the STAR Market Growth Tier*, and subsequently created supporting infographic long-form articles such as *Unlock the New STAR Market Map: Guide to Accessing the "STAR Growth Tier"*, transforming complex rules into easy-to-understand and actionable guides.
- In terms of distribution channels, the Investor Education Base actively expanded across diversified channels such as WeChat Channels, Xiaohongshu, and Investor Education Mini-Station. Relying on nearly 300 business outlets nationwide, it included high-quality investor education works as key works and reposted them to investor groups. In 2025, Shenwan Hongyuan Securities produced 1,208 original investor education products, with a cumulative reach of 66,794,000 person-times.

Precise integration of AI and investor education

- The Company embeds AI into investor education content production, leveraging general-purpose large language models to intelligently generate content such as first drafts of policy bulletins and script outlines, and rapidly produces visual materials such as promotional posters through AI drawing tools, thereby creating an end-to-end AI-assisted content production pathway for investor education.
- The Company established an investor education knowledge base based on investor education works, regulatory documents, policy documents, and government work reports, formed an investor education intelligent agent, and used large language model technology to quickly understand investors' questions, to retrieve corresponding information from the content repository, and to provide analytical responses.



Hosted the "Shenyuanbao" Children's Financial Literacy Public Welfare Class



In December 2025, Shenwan Hongyuan Securities' Investor Education Base hosted the "Shenyuanbao" Children's Financial Literacy First Lesson public welfare event. Shenwan Hongyuan Securities gave full play to the professional strengths of a financial institution. Under the theme "Little Wealth Manager: My First Financial Literacy Lesson", the event attracted 30 parent-child families. Through diverse formats such as fun classes, interactive tabletop games, and scenario-based experiences, it launched children's journey of financial literacy enlightenment.



"Shenyuanbao" Children's Financial Literacy Public Welfare Class

In 2025, awards won by the Company for investor education:

- Shenwan Hongyuan Securities Team won the first prize in the 2025 "SSE Cup" National University ETF Knowledge and Financial Planning Competition
- *Bringing the Truth Closer* won the Outstanding Promotion Work on Anti-Illegal Financial Services from the CSRC, and the Outstanding Work Award in Shanghai Stock Exchange's "Everyone Talks About Preventing Illegal Financial Services"
- In the finals of the "Special Skills Competition on Preventing Illegal Financial Services and Combating Fraud" organised by the Shanghai Securities Association, the Investor Protection Department of Shenwan Hongyuan Securities won the team second prize, as well as one individual first prize and two individual second prizes



First Prize in the National University ETF Knowledge and Financial Planning Competition



Outstanding Work Award of the "Everyone Talks About Preventing Illegal Financial Services"



"Special Skills Competition on Preventing Illegal Financial Services and Combating Fraud" Team and Individual Awards

Responsible Procurement

As a financial institution, the Company procures relatively simple types of goods and services. Its suppliers mainly fall into three categories, including engineering suppliers, service suppliers and goods suppliers, and there are no substantive risks in relation to supply chain security. The Company strictly complies with laws and regulations including the *Tendering and Bidding Law of the People's Republic of China*, the *Law of the People's Republic of China on Government Procurement* and the *Interim Regulations on the Management of Centralized Procurement for State-owned Financial Enterprises*. The Company has formulated internal policies such as the *Management Rules for Centralised Procurement Suppliers of Shenwan Hongyuan Group Co., Ltd.*. The Company conducts supplier management in accordance with the principles of "unified management, classified application, openness, fairness and impartiality, regular evaluation and dynamic adjustment".

The Company adopts compliance methods such as open bidding, invitation to bid, competitive negotiation, inquiry and single-source procurement to carry out procurement with suppliers and duly carries out supplier access review, annual review of qualified suppliers, and evaluation of supplier performance. Where prohibited conduct or illegal or non-compliant acts occur in respect of qualified suppliers, upon deliberation and approval by the Company's Procurement Management Committee, they are included as prohibited suppliers or added to the supplier blacklist.

The Company implements responsible procurement, gives priority to the procurement of energy-saving and environmentally-friendly materials and new energy vehicles, and incorporates the requirements related to ESG responsibilities of suppliers into the supplier management process. The Company pays close attention to suppliers' ESG performance in terms of environmental protection, labour health and safety, and public benefit activities.

In terms of suppliers' anti-corruption management, the Company had released the *Supplier Anti-corruption Management Statement* on its official website to manage integrity in the procurement process by regulating the conduct of procurement personnel, requiring suppliers to comply with anti-corruption clauses, and clarifying the supervision, reporting and handling mechanisms.

Shenwan Hongyuan's Measures for Anti-corruption Management of Suppliers

<p>Standardising the conduct of procurement personnel</p>	<ul style="list-style-type: none"> • Procurement-related personnel do not accept any gifts from tenderers or relevant parties, do not participate in banquets, entertainment, travel and other activities organised by tenderers, and are required to comply with the principle of recusal where they had an interest relationship or kinship relationship with tenderers.
<p>Requiring suppliers to comply with anti-corruption clauses</p>	<ul style="list-style-type: none"> • During the contract signing process, supplier access requires the signing of the <i>Supplier Integrity Commitment</i>. At the same time, the Company incorporates important clauses such as anti-commercial bribery into contracts, requiring all suppliers to strictly comply with relevant laws and regulations and to formulate internal anti-corruption policies, and requiring their employees to comply with the requirements of relevant rules and policies on integrity practice. • During supplier cooperation, the Company's Audit Department regularly audits the implementation of suppliers' anti-corruption clauses and the compliance of procurement activities.
<p>Establishing a supervision, reporting, and handling mechanism</p>	<ul style="list-style-type: none"> • In the centralised procurement activities such as bidding, the bidder and stakeholders who suspect any illegality or irregularity may whistleblow to the Discipline Inspection Department according to relevant regulations. • In response to any non-compliant or disciplinary violations in procurement activities, such as corruption, embezzlement, bribery, and other misconduct, as well as other acts that violate relevant laws, administrative regulations, and the Company's procurement management measures, the Company shall pursue accountability and handle such matters in accordance with the relevant provisions.

Social Contribution

Public Charity Activities

The Company upholds the philosophy of social responsibility, focusing on creating value for society, people's livelihoods, and the environment, and is deeply integrated into the development and construction of the areas where it operates. Through initiatives such as charitable donations of used clothing and managing public welfare funds, it expands public welfare and philanthropic undertakings.

Organised the "Shenyuan Love · Walking Together on the Charity Journey" Charity Donation Campaign for Used Clothing



In March 2025, the Company organised the "Shenyuan Love · Walking Together on the Charity Journey" charity donation campaign for used clothing, innovatively adopting a dual-track "online + offline" donation model to accommodate the participation needs of different groups.

A total of 2,947 items of used clothing, textiles, and toys were collected during this campaign, with a total weight of 1,125 kg. After standardised processing, the donations were precisely matched and delivered to impoverished mountainous areas in Northwest China and other disadvantaged groups, effectively bringing warmth to those in need and further enhancing the Company's brand image of being enthusiastic about public welfare and committed to active contribution.



Charity Donation Campaign for Used Clothing

Shenwan Hongyuan Asset Management Served as Manager of Public Welfare Funds



As a wholly owned subsidiary of Shenwan Hongyuan, Shenwan Hongyuan Asset Management served as the manager of three public welfare funds, namely, the Shenwan-Primary and Secondary & Kindergarten Fund, the Shenwan-Popular Science Fund, and the Shenwan-Shanghai Education Fund. The management fees charged were significantly lower than those of comparable products, with no business remuneration charged. This practice is a model example of the Company, as a state-owned investment holding group, deeply integrating its financial expertise, social responsibilities, and long-term development strategy, and exploring an innovative "finance + public welfare" support model for public welfare activities.

- In 2025, SWHYHK continued to fulfil its social responsibilities and was awarded the Caring Company 10 Years+ Certificate under the Caring Company Scheme.



Employee Volunteering

The Company focused on developing the "Shenwan Hongyuan Love Delivering Care, Walking Together on the Road of Public Good" volunteer service brand, encouraging employees to actively participate in volunteer services and providing practical assistance to disadvantaged groups. Shanghai Shenwan Hongyuan Public Welfare Foundation (hereinafter referred to as the "Public Welfare Foundation") sets up a volunteer team to organise and mobilise employees and those from all walks of life enthusiastic about public welfare to participate in the Foundation's volunteer activities. In addition, the Company establishes a Youth Volunteer Service Corps, staffed by Youth League Committee members as core personnel. The extensive participation of Youth League organisations at all levels contributes to a "1+N" grid of volunteer service organisations. Annually, Lei Feng-inspired volunteer service programs are integrated into the Youth League's yearly operational plan, with dedicated research and strategic deployment conducted to ensure effective implementation.

Key Volunteer Activity Practices of Shenwan Hongyuan in 2025

<p>Shanghai Shenwan Hongyuan Public Welfare Foundation</p>	<ul style="list-style-type: none"> Public Welfare Foundation participated in the public welfare project under the Shanghai Civil Affairs Bureau's "Juli Plan", focusing on community governance and elderly care service needs against the backdrop of urban ageing, and provided targeted support for the Jinkang Community in Jinshanwei Town, Jinshan District, Shanghai, to implement the public welfare project "Affection for Hundred Herbs: A Long-Awaited Encounter with Cloth". The public welfare foundation invested RMB100,000 in public welfare funding into the project, providing cumulative services to more than 400 attendances of elderly groups and residents in the community. By introducing public welfare resources and integrating volunteer efforts, Public Welfare Foundation helped enhance the effectiveness of community-level governance.
<p>Youth Volunteer Service Corps</p>	<ul style="list-style-type: none"> Taking the occasion of Lei Feng Day on 5 March, Youth Volunteer Service Corps organised and called on employees to carry out Lei Feng-themed voluntary service activities. In 2025, Youth League organisations at all levels and voluntary service teams carried out a total of 176 themed voluntary service activities throughout the year, in light of the actual circumstances of their respective regions. These activities covered investor education, anti-fraud and scam prevention publicity, support for community governance, and the building of ecological civilisation, with more than 1,600 youth participations.
<p>Hongyuan Futures</p>	<ul style="list-style-type: none"> Hongyuan Futures Youth League Branch carried out "Elderly Respect and Support Volunteer Activities", organising a series of volunteer service activities such as themed volunteer services on "Carrying Forward the Spirit of Lei Feng, Respecting and Supporting the Elderly" and volunteer services in sub-districts.
<p>Shenwan Futures</p>	<ul style="list-style-type: none"> The Shenwan Futures Youth League Branch liaised with and participated in the large-scale community public welfare publicity event, "Lianhua SSE Circle Financial Interactive Gala", providing basic financial knowledge to the general community residents and corporate white-collar employees, and enhancing the public's awareness and capability in preventing financial risks. Shenwan Futures was recognised by the Lei Feng Spirit Inheritance Committee of the Research Association of Ideological and Political Work of China Financial Institutions and the Lei Feng Spirit Inheritance Volunteer Committee of the China Volunteers Association as a Demonstration Site for Learning from Lei Feng Activities in the Financial System, and won the Stock Star Annual Social Responsibility Award.



Demonstration Site for Learning from Lei Feng Activities in the Financial System

Environmental Responsibility

Water Resources Management

The water consumption of the Company is mainly water usage in the office process, and the main water source is municipal water and there are no issues in sourcing water. The Company strictly complies with the *Environmental Protection Law of the People's Republic of China* and other laws and regulations, sets a management target of "striving to control water consumption and density data at a low level", continuously standardises water resource management in the office process, carries out water-saving education and incentives, and configures water-saving appliances to avoid water resource waste.

In reinforcing water stewardship, the Company persistently has advanced water conservation and governance, refined periodic monitoring, statistical tracking and analytical frameworks for water usage, promoted employee awareness of water-saving practices, and routinely reported water consumption volumes and intensity metrics.

Waste Management

As a financial institution, the Company's main solid wastes generated in office operations are divided between non-hazardous wastes (e.g., kitchen wastes, toner cartridges, ink cartridges, and office papers) and hazardous wastes (e.g., obsolete computers). In accordance with the environmental management regulations or systems at the locations where the Company operates, the Company further strengthens waste management, and establishes the management target of "improving the management system for the identification, statistics and reduction of non-hazardous and hazardous waste, and control the production of non-hazardous and hazardous waste at a low level".

Regarding waste minimization, the Company addresses the challenge at its source to curtail waste generation. The Company consistently advances paperless conferencing, widely adopts electronic chops, leverages digital displays and meeting applications for material presentation, and rigorously minimizes hardcopy printing. Furthermore, it actively promotes paper-saving initiatives, including default black-and-white duplex printing configurations for networked personal computers, and encourages the utilization of digital documentation to decrease office paper usage and disposal.

Regarding waste disposal, office and domestic waste is collected and removed by the Company's property management service, while hazardous waste such as obsolete computers is periodically entrusted to qualified third-party companies for disposal.

SWHYHK Set Quantitative Targets for Resource Consumption



SWHYHK established a quantitative management target of "paper consumption not exceeding 7,620 kg by 2025". SWHYHK has installed waste paper recycling receptacles in every office to encourage staff recycling and waste-to-resource conversion, with designated suppliers engaged for regular waste paper collection. Concurrently, SWHYHK advances source separation to drive waste minimization, deploying plastic bottle and aluminum can recycling bins in office premises for subsequent transfer to building management for consolidated disposal. For 2025, paper consumption at SWHYHK totaled 4,347 kilograms, maintained within established targets.

ESG Data Table and Notes

Anti-Corruption Performance Indicators¹

Indicator	Unit	2023	2024	2025
Number of directors participating in anti-corruption-related training	Persons	5	4	11
Proportion of directors covered by the anti-corruption training	%	45.45	36.36	100
Number of anti-corruption training hours for directors per capita	Hours / person	6	4.25	5
Number of management staff participating in anti-corruption-related training ²	Persons	—	259	267
Proportion of management staff covered by the anti-corruption training	%	—	100	100
Number of employees participating in anti-corruption-related training	Persons	11,807	11,289	11,423
Proportion of the employees covered by the anti-corruption training	%	100	100	100
Number of anti-corruption training hours for employees per capita	Hours / person	4	4	3

Note 1: The training indicators related to the directors participating in the anti-corruption training are the main body of Shenwan Hongyuan listed company, and the statistical scope of other data is within the scope of consolidated statements.

Note 2: The management staff includes intermediate and senior management staff.

Compliance Management Performance Indicators¹

Indicator	Unit	2024	2025
The number of cases punished for violating environmental protection laws and regulations	Pieces	0	0
Total amount of fines imposed for violating environmental protection laws and regulations	RMB Million	0	0
Number of incidents in violation of laws and regulations related to products and services	Pieces	0	0
Total amount of fines received for violating relevant laws and regulations concerning products and services	RMB Million	0	0

Employment Performance Indicators

Indicator	Unit	2023	2024	2025
Total number of employees ¹	Persons	11,804	11,289	11,423
By gender	Male	6,339	5,991	5,972
	Female	5,465	5,298	5,451
By employment type	Full-time employee under employment contract	11,440	11,289	11,019
	Others ²	364	—	404

Indicator		Unit	2023	2024	2025
By age group	<30 Years old	Persons	2,562	2,431	1,902
	30 to 50 years old	Persons	7,732	7,241	7,441
	> 50 Years old	Persons	1,510	1,617	2,080
By geographic region	Mainland China	Persons	11,396	11,005	11,069
	Hong Kong, Macao, Taiwan and overseas	Persons	408	284	354
Employment contract coverage		%	100	100	100
Social insurance coverage		%	100	100	100
Number of labor discrimination incidents		Pieces	0	0	0
Employee turnover rate ³		%	7.50	7.66	7.03
By gender	Male	%	8.01	8.69	7.99
	Female	%	6.92	6.49	5.98
By age group	<30 Years old	%	9.48	8.69	12.25
	30 to 50 years old	%	5.98	6.80	5.75
	> 50 Years old	%	11.99	9.96	6.83
By geographic region	Mainland China	%	6.97	7.18	6.76
	Hong Kong, Macao, Taiwan and overseas	%	22.55	26.41	15.54
Total number of new employees		Persons	1,167	718	539
By gender	Male	Persons	651	391	277
	Female	Persons	516	327	262
By age group	<30 Years old	Persons	750	475	281
	30 to 50 years old	Persons	414	235	258
	> 50 Years old	Persons	3	8	0
By geographic region	Mainland China	Persons	1,111	668	493
	Hong Kong, Macao, Taiwan and overseas	Persons	56	50	46
Number of employees form ethnic minority groups		Persons	460	482	500
Number of disabled employees		Persons	29	33	33

Note 1.2: In 2023, other employment forms referred to agents. In 2024, the total number of employees referred to the number of full-time employees with labor contracts, excluding contractors, agents, and other forms of employment. In 2025, other employment forms referred to contractors and agents.

Note 3: [Calculation method] Employee turnover rate by category = Number of employees in this category lost during the year/number of employees in this category at the end of the year.

Employee Health and Safety Performance Indicators

Indicator	Unit	2023	2024	2025
Coverage of Employee industrial injury insurance	%	—	100	100
Number of employees who died from work-related injuries	Persons	0	0	0
Rate of employees who died from work-related injuries	%	0	0	0
Days lost due to work-related injuries ¹	Days	0	417.50	442.00

Note 1: Work-related injury incidents include accidents that occur during employees' commutes, at the workplace, or while on official business trips. Work-related injuries are considered incidental events. After such an incident occurs, the Company assists the employee in obtaining work injury recognition and evaluation. Based on the level of the injury assessment, the Company provides compensation and facilitates medical treatment claims. Additionally, the Company actively promotes health and safety awareness among employees to prevent such incidents from happening.

Employee Training Performance Indicators

Indicator	Unit	2023	2024	2025
Employee training expenditure	RMB Million	17.60	12.73	12.09
Coverage of employee training ¹	%	100	100	100
By gender	Male	53.70	53.07	52.28
	Female	46.30	46.93	47.72
By employee category	Senior management	0.22	0.15	0.15
	Medium management	3.27	2.14	2.11
	Ordinary employees	96.51	97.71	97.74
Average hours of employee training ²	Hours	60.00	60.23	56.32
By gender	Male	57.83	58.36	54.71
	Female	62.51	62.33	58.08
By employee category	Senior management	180.43	139.91	217.00
	Medium management	127.04	118.78	140.24
	Ordinary employees	57.45	58.82	54.29

Note 1: [Calculation method] In accordance with HKEX's *How to prepare an ESG Report - Appendix 3: Reporting Guidance on Social KPIs*, Employee training coverage by category = number of employees trained under this category/total number of employees trained.

Note 2: [Calculation method] Training hours per capita per year by category = total hours of training received by employees in this category/number of employees in this category.

Data Security and Privacy Protection Performance Indicators¹

Indicator	Unit	2024	2025
Data security incidents that occurred during the reporting period ²	Pieces	1	0
Amount involved in the data security event	RMB Million	0	0
Number of confirmed incidents of disclosure, theft, or loss of customer information	Pieces	0	0
Amount involved in the customer privacy breach incident	RMB Million	0	0

Note 1: [Statistical scope] The scope of the consolidated financial statements of Shenwan Hongyuan Securities.

Note 2: This incident is a "general event" in 2024, which was discovered in time and dealt with in the first time, and has no impact on the national financial security, social order, and the legitimate rights and interests of investors. Subsequently, Shenwan Hongyuan Securities carried out a series of targeted rectification measures, and continued to optimize the relevant long-term management mechanism to prevent the occurrence of such incidents.

Fintech Empowerment Performance Indicators

Indicator	Unit	2024	2025
Information technology investment amount ¹	RMB Million	1,184.83	1,106.81
Proportion of information technology investment to operating revenue	%	4.79	4.56
Number of information technology personnel	Persons	993	989

Note 1: [Statistical scope] The statistical scope for information technology investment amount aligns with the consolidated financial statements of Shenwan Hongyuan Securities.

Customer Service Performance Indicators¹

Indicator	Unit	2023	2024	2025
Number of customer complaints	Number	163	216	258
Complaint handling rate	%	100	100	100
Customer satisfaction ²	%	88.64	99.14	99.03

Note 1: [Statistical scope] The scope of the consolidated financial statements of Shenwan Hongyuan Securities.

Note 2: In 2023, the customer satisfaction survey scope included customers who received follow-up calls from existing clients. From 2024, customer satisfaction is based on the annual satisfaction scores from the customer service hotline 95523 and online customer service.

Supplier Performance Indicators¹

Indicator	Unit	2023	2024	2025
Number of suppliers	Suppliers	166	219	290
Number of suppliers in the mainland of China	Suppliers	159	212	278
Number of suppliers from Hong Kong, Macao, Taiwan and overseas regions	Suppliers	7	7	12

Note 1: Only the number of suppliers that the Company collaborated with through centralized procurement was included in this count. In 2023, the statistical scope for suppliers included the Group Company, Hongyuan Huifu, Hongyuan Huizhi, and the headquarters of Shenwan Hongyuan Securities. From 2024, the statistical scope for suppliers includes the Group Company, Hongyuan Futures, Hongyuan Huifu, Hongyuan Huizhi, and the headquarters of Shenwan Hongyuan Securities. In 2025, data statistics and management capabilities were enhanced, and data for 2024 were retrospectively adjusted.

Rural Revitalization and Social Contribution Performance Indicators

Indicator	Unit	2023	2024	2025
Total assistance funds ¹	RMB Million	43.46	43.60	34.88
Investment in rural revitalization	RMB Million	—	39.28	34.33
Number of people reached by rural revitalization	Persons	—	250,650	300,000
Number of employee participations in volunteering ²	Persons-Times	854	1,121	1,690
Hours contributed to volunteering by employees	Hours	140	1,396	5,070

Note 1: The scope of statistics of the total assistance funds includes the assistance funds for rural revitalization and other charitable donations.

Note 2: In 2023, the statistical scope for the number of employee volunteer service person-times and total duration was the Company's support office. In 2024, the statistical scope for these figures was the Company's labor union. In 2025, the statistical scope for employee volunteer service person-times and total hours covers the combined data of the Company Party Committee, Youth League Committee, Trade Union and Public Welfare Foundation.

Energy Consumption and Greenhouse Gas Emission Performance Indicators¹

Indicator	Unit	2023	2024	2025
Natural gas consumption	m ³	112,592.00	162,248.80	162,900.72
Natural gas consumption per capita	m ³ /person	9.54	14.37	14.26
Gasoline consumption	Liters	86,931.59	65,524.84	61,638.93
Electricity consumption	MWh	23,249.91	20,656.51	20,696.87
Electricity consumption of the Company's headquarters in the office building in Beijing	MWh	3,072.74	3,219.15	3,190.14
Electricity consumption per capita	MWh/person	1.97	1.83	1.81
Greenhouse gas emissions (Scope 1 and Scope2) ²	Tons of CO ₂ equivalents	13,776.55	11,666.98	11,518.08
Scope 1 GHG emissions	Tons of CO ₂ equivalents	442.90	498.19	491.58
Scope 2 GHG emissions	Tons of CO ₂ equivalents	13,333.65	11,168.79	11,026.50
GHG emissions per capita (Scope 1 and Scope 2)	Tons of CO ₂ equivalents / person	1.17	1.03	1.01
Scope 3 GHG emissions ³	Tons of CO ₂ equivalents	17,286.79	4,618.80	3,949.89
Energy consumption ⁴	Tons of standard coal	—	2,827.65	2,829.25
Direct energy consumption	Tons of standard coal	—	287.15	283.78
Indirect energy consumption	Tons of standard coal	—	2,540.50	2,545.47
Energy consumption per capita	Tons of standard coal/ person	—	0.25	0.25

Note 1: [Statistical scope] The statistical caliber is align with the consolidated financial statements. Electricity expenses of certain subsidiaries and branches are included in property management fees and cannot be separately tracked; their energy consumption and greenhouse gas emissions data are estimated.

Note 2: The Company conducted greenhouse gas emission calculations with reference to documents including the *GHG Protocol – A Corporate Accounting and Reporting Standard (2024)*. Based on the nature of the Company's business, Scope 1 GHG emissions include direct emissions from natural gas consumption and gasoline consumption by Company-owned vehicles. The calculation method follows the HKEX's *How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs* and the "Global Protocol for Community-Scale Greenhouse Gas Emission Inventories (GPC) 2.0" published by the World Resources Institute. Scope 2 GHG emissions include indirect emissions from purchased electricity. In 2023, the emission factors referenced the *Notice on Proper Management of the Reporting of Greenhouse Gas Emissions by Power Generation Enterprises in 2023-2025* issued by the Ministry of Ecology and Environment (MEE), and HKEX's *How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs*. In 2024, GHG emission factors were based on the *Announcement on the 2022 Electricity Carbon Emission Factors* issued by the Ministry of Ecology and Environment (MEE) and the National Bureau of Statistics in December 2024, as well as HKEX's *How to Prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs*. In 2025, GHG emission factors were based on the *Announcement on the 2023 Electricity Carbon Emission Factors* issued by the Ministry of Ecology and Environment (MEE) and the National Bureau of Statistics in December 2024, as well as HKEX's *How to Prepare an ESG Report Appendix 2: Environmental KPIs Reporting Guide*.

Note 3: In 2023, Scope 3 GHG emissions included both employee business travel and employee commuting. The statistical scope for business travel expanded to the Group Company and its subsidiaries, including the headquarters of Shenwan Hongyuan Securities, Hongyuan Futures, Hongyuan Huizhi, and Hongyuan Huifu. The statistical scope for employee commuting was the same as the scope of the consolidated financial statements and estimated from an employee commuting sample survey. The calculation methodology referenced the *Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard* and the *Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard*. In 2024 and 2025, Scope 3 GHG emissions included employee business travel. The statistical scope covered the Group Company and its subsidiaries, including Hongyuan Futures, Hongyuan Huizhi, Hongyuan Huifu, Shenwan Hongyuan Securities and its subsidiaries, including the Shenwan Hongyuan Financing Services, Shenwan Hongyuan Securities (Western), Shenyin & Wanguo Investment, Shenyin & Wanguo Alternative Investment, SWS MU, SWHYHK, Shenwan Hongyuan Asset Management, and International Group.

Note 4: Total energy consumption includes natural gas, gasoline used by the Company's vehicles, and purchased electricity consumption. The conversion factor to standard coal and the calculation method are based on the *GB/T 2589-2020 General Rules for Calculating Comprehensive Energy Consumption*.

Water Resources Consumption Performance Indicators¹

Indicator	Unit	2023	2024	2025
Water consumption ²	Tons	242,471.46	178,183.01	137,804.82
Water consumption of the office building in Beijing	Tons	18,703.00	18,298.00	18,316.00
Water consumption per capita	Tons / person	23.47	15.78	12.06

Note 1: [Statistical scope] The statistical caliber of water consumption indicators is align with the consolidated financial statements. For some subsidiaries and branches, water expenses are included in property fees and cannot be separately accounted for, so their water consumption data is estimated.

Note 2: The Company is primarily engaged in financial services, and its office water supply comes from municipal water sources. In the table above, the Company's water consumption is calculated based on municipal water intake.

Waste-related performance Indicators¹

Indicator	Unit	2023	2024	2025
Total amount of non-hazardous wastes	Tons	226.52	243.42	210.84
Non-hazardous wastes by category: Waste paper	Tons	7.03	2.71	2.91
Non-hazardous wastes by category: Household waste (including kitchen waste)	Tons	218.80	240.30	207.50
Non-hazardous wastes by category: Selenium toner cartridge	Tons	0.69	0.41	0.43
Total amount of non-hazardous wastes per capita	Tons/person	—	0.08	0.08

Note 1: [Statistical scope] The statistical scope of waste-related indicators includes the headquarters of the Group Company and Shenwan Hongyuan Securities, Hongyuan Huifu, Hongyuan Huizhi, and the headquarters of Hongyuan Futures.

Report Index

Index of Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange — Sustainability Report (For Trial Implementation)

Topics	Clause	Sections
Climate response	Articles 21-28	Responding to Climate Change ESG Data Table and Notes
Pollutant discharge	Article 30	The Company's main businesses include corporate finance, personal finance, institutional services and trading, investment management, and other financial services. Neither the Company nor its significant subsidiaries have been included in the list of enterprises required to disclose environmental information legally; therefore, this topic is not applicable.
Waste disposal	Article 31	Waste Management
Ecosystem and biodiversity protection	Article 32	The Company's main businesses include corporate finance, personal finance, institutional services and trading, investment management, and other financial services. The Company's production and business activities have no significant impact on ecosystems and biodiversity; therefore, this topic is not applicable.
Environmental compliance	Article 33	Responding to Climate Change
Energy utilization	Article 35	Responding to Climate Change
Water resources utilization	Article 36	Water Resources Management
Circular economy	Article 37	Waste Management
Rural revitalization	Article 39	Supporting Rural Revitalisation
Social contributions	Article 40	Social Contribution
Innovation	Article 42	Fintech Empowerment
Ethics of science and technology	Article 43	Fintech Empowerment The Company mainly engages in the development and application of financial technology. It ensures compliance with scientific ethics standards during financial technology innovation activities. The specific situation has been incorporated into the "Fintech Empowerment" section.
Supply chain security	Article 45	Responsible Procurement
Equal treatment of SMEs	Article 46	At the end of 2025, the Company's balance of accounts payable was approximately RMB 28.3 billion. As a financial industry enterprise, the balance of accounts payable primarily consists of client deposits rather than amounts owed to suppliers. There is no substantial risk regarding equal treatment of small and medium-sized enterprises.
Product and service safety and quality	Article 47	Optimising Financial Services
Data security and customer privacy protection	Article 48	Data Security and Customer Privacy Protection
Employees	Article 50	Talent Attraction and Retention Employee Training and Development Employee Care and Communication Regarding the purchase of workplace safety and health liability insurance, since the Company does not fall within the high-risk industry sectors defined as required to purchase such insurance under the <i>Implementation Measures for Workplace Safety and Health Liability Insurance</i> , it has not yet insured its employees against workplace safety and health liabilities. For the investment amount of employee industrial injury insurance, please refer to the <i>2025 Annual Report of Shenwan Hongyuan Group Co., Ltd.</i>
Due diligence	Article 52	Materiality Assessment
Stakeholder engagement	Article 53	Materiality Assessment
Anti-commercial bribery and anti-corruption	Article 55	Regulated Business Practices
Fair competition	Article 56	Regulated Business Practices

Self-disclosure Issues and Corresponding Report Sections	
Serving National Strategy and Supporting the Real Economy	Building China into a Financial Power, Serving National Strategies
Developing Green Finance	Developing Green Finance
Comprehensive Risk Management	Comprehensive Risk Management
Compliance and Internal Control	Compliance and Internal Control Management
Devoting to Responsible Investment	Devoting to Responsible Investment
Investor Rights and Interests Protection	Protection of Investor Rights and Interests
Driving Reforms and Development of the Capital Market	Boosting the Reform of the Capital Market
Corporate Governance	Strengthening Corporate Governance
ESG Risk Management	Comprehensive Risk Management

Index of Environmental, Social and Governance Reporting Guide (Effective on January 1, 2025) on Hong Kong Stock Exchange

Part B: Mandatory Disclosure Requirements	
Mandatory Disclosure Items	Sections
Governance Structure	Statement of the Board of Directors on Sustainability Management ESG Governance and Strategy
Reporting Principles	About this Report
Reporting Boundary	About this Report
Part C: "Comply or Explain" Provisions	
Subject Areas, Aspects, General Disclosures and KPIs	Sections
Category A: Environment	
A1 Emissions	
General Disclosure A1	Waste Management
KPI A1.1	ESG Data Table and Notes
KPI A1.2 [Deleted on January 1, 2025]	—
KPI A1.3	ESG Data Table and Notes
KPI A1.4	ESG Data Table and Notes
KPI A1.5	Waste Management
KPI A1.6	Waste Management
Aspect A2: Resource Use	
General Disclosure A2	Responding to Climate Change Environmental Responsibility
KPI A2.1	ESG Data Table and Notes
KPI A2.2	ESG Data Table and Notes

Subject Areas, Aspects, General Disclosures and KPIs	Sections
KPI A2.3	Responding to Climate Change
KPI A2.4	Water Resources Management
KPI A2.5	The Company's products are financial products which are not applicable for this indicator.
A3 The Environment and Natural Resources	
General Disclosure A3	Environmental Responsibility
KPI A3.1	Environmental Responsibility
A4 Climate Change	
General Disclosure A4 [Deleted on January 1, 2025]	—
KPI A4.1 [Deleted on January 1, 2025]	—
Category B. Social	
Employment and Labor Practices	
B1. Employment	
General Disclosure B1	Talent Attraction and Retention
KPI B1.1	ESG Data Table and Notes
KPI B1.2	ESG Data Table and Notes
B2. Health and Safety	
General Disclosure B2	Employee Care and Communication
KPI B2.1	ESG Data Table and Notes
KPI B2.2	ESG Data Table and Notes
KPI B2.3	Employee Care and Communication
B3. Development and Training	
General Disclosure B3	Employee Training and Development
KPI B3.1	ESG Data Table and Notes
KPI B3.2	ESG Data Table and Notes
B4. Labor Standards	
General Disclosure B4	Talent Attraction and Retention
KPI B4.1	Talent Attraction and Retention
KPI B4.2	Talent Attraction and Retention
Operating Practices	
B5. Supply Chain Management	
General Disclosure B5	Responsible Procurement
KPI B5.1	Responsible Procurement ESG Data Table and Notes
KPI B5.2	Responsible Procurement ESG Data Table and Notes
KPI B5.3	Responsible Procurement
KPI B5.4	Responsible Procurement
B6. Product Responsibility	
General Disclosure B6	Optimising Financial Services Data Security and Customer Privacy Protection Protection of Investor Rights and Interests
KPI B6.1	The Company's products are financial products which are not applicable for this indicator.
KPI B6.2	Optimising Financial Services
KPI B6.3	Regulated Business Practices
KPI B6.4	The Company's products are financial products which are not applicable for this indicator.
KPI B6.5	Data Security and Customer Privacy Protection

Subject Areas, Aspects, General Disclosures and KPIs		Sections
B7. Anti-corruption		
General Disclosure B7		Regulated Business Practices
KPI B7.1		ESG Data Table and Notes
KPI B7.2		Regulated Business Practices
KPI B7.3		Regulated Business Practices
Community		
B8. Community Investment		
General Disclosure B8		Supporting Rural Revitalisation Social Contribution
KPI B8.1		Supporting Rural Revitalisation Social Contribution ESG Data Table and Notes
KPI B8.2		Supporting Rural Revitalisation Social Contribution ESG Data Table and Notes
Section D: Climate-Related Disclosures		
Climate-Related Disclosures	Corresponding Report Sections & Additional Notes	
(I) Governance		
19	19.a	Responding to Climate Change — Governance
	19.b	Responding to Climate Change — Governance
(II) Strategy		
Climate-related risks and opportunities		
20	20.a	Responding to Climate Change — Strategy
	20.b	Responding to Climate Change — Strategy
	20.c	Responding to Climate Change — Strategy
	20.d	Responding to Climate Change — Strategy
Business model and value chain		
21	21.a	Responding to Climate Change — Strategy The Company conducted an impact analysis of two climate-related risks and opportunities on its operations and business. However, due to the nature of the Company's financial business, it is difficult to obtain specific information on the asset type distribution of issuers/investment targets/counterparties, making it challenging to accurately determine the scope and regions where climate-related risks and opportunities are concentrated. Therefore, the Company prudently applied the [reasonable information exemption].
	21.b	
Strategy and decision-making		
22	22.a	Responding to Climate Change — Strategy
	22.b	Responding to Climate Change — Strategy
23		Responding to Climate Change — Strategy

Climate-Related Disclosures		Corresponding Report Sections & Additional Notes
Financial position, financial performance and cash flows		
24	24.a	<p>Responding to Climate Change — Strategy</p> <p>The Company has conducted a qualitative analysis of the financial impacts of climate-related risks and opportunities. However, performing a quantitative financial impact analysis for transition risks presents certain challenges due to subjective judgment and a lack of objective standards to attribute specific financial impacts solely to climate events. As a result, quantifying the financial impact involves significant uncertainty, and any estimated quantitative impact would not be usable. In this context, the Company has prudently applied the [financial impact exemption] in accordance with relevant regulations. In the future, the Company will consider strengthening related research and exploring quantitative financial impact analysis.</p>
	24.b	<p>During the Reporting Period, the Company did not identify any significant risks that constitute or are highly likely to result in material adjustments to the carrying amounts of assets or liabilities in the financial statements for the next reporting year.</p>
25	25.a	<p>Responding to Climate Change — Strategy</p> <p>The Company has conducted a qualitative analysis of the financial impacts of climate-related risks and opportunities. However, performing a quantitative financial impact analysis for transition risks presents certain challenges due to subjective judgment and a lack of objective standards to attribute specific financial impacts solely to climate events. As a result, quantifying the financial impact involves significant uncertainty, and any estimated quantitative impact would not be usable. In this context, the Company has prudently applied the [financial impact exemption] in accordance with relevant regulations. In the future, the Company will consider strengthening related research and exploring quantitative financial impact analysis.</p>
	25.b	<p>During the Reporting Period, the Company did not identify any significant risks that constitute or are highly likely to result in material adjustments to the carrying amounts of assets or liabilities in the financial statements for the next reporting year.</p>
Climate resilience		
26	26.a	<p>Responding to Climate Change — Strategy</p>
	26.b	<p>Conducting comprehensive climate scenario analysis faces multiple challenges, including insufficient data availability, uncertainties in climate scenario analysis models, and methodological limitations. During the reporting period, the Company did not conduct climate-related scenario analysis. Therefore, during the reporting period, the Company has prudently applied the [reasonable information exemption] and [capability exemption] in accordance with the relevant regulations. In the future, the Company will continue to enhance its relevant capabilities and conduct climate scenario analysis when appropriate.</p>
(III) Risk management		
27	27.a	Responding to Climate Change — Impacts, Risks, and Opportunities Management
	27.b	Responding to Climate Change — Impacts, Risks, and Opportunities Management
	27.c	Responding to Climate Change — Impacts, Risks, and Opportunities Management
(IV) Metrics and Targets		
Greenhouse gas emissions		
28	28.a	ESG Data Table and Notes
	28.b	ESG Data Table and Notes
	28.c	ESG Data Table and Notes
29	29.a	ESG Data Table and Notes
	29.b	ESG Data Table and Notes
	29.c	ESG Data Table and Notes
	29.d	<p>ESG Data Table and Notes</p> <p>Based on the nature of the Company's financial business and its current data collection and statistical capabilities, the current Scope 3 greenhouse gas emissions calculation only includes the employee business travel category. In the future, the Company will continue to enhance its relevant statistical and calculation capabilities to further expand the categories covered.</p>
Climate-related transition risks		
30		<p>Due to the Company's current limited measurement capabilities and resources, the statistical results of relevant indicators such as the amount and percentage of the Company's total assets or business activities affected by climate-related risks and opportunities are subject to high uncertainty. Therefore, the Company has prudently applied the [reasonable information exemption] in accordance with relevant regulations.</p>

Climate-Related Disclosures		Corresponding Report Sections & Additional Notes
Climate-related physical risks		
31		Due to the Company's current limited measurement capabilities and resources, the statistical results of relevant indicators such as the amount and percentage of the Company's total assets or business activities affected by climate-related risks and opportunities are subject to high uncertainty. Therefore, the Company has prudently applied the [reasonable information exemption] in accordance with relevant regulations.
Climate-related opportunities		
32		Due to the Company's current limited measurement capabilities and resources, the statistical results of relevant indicators such as the amount and percentage of the Company's total assets or business activities affected by climate-related risks and opportunities are subject to high uncertainty. Therefore, the Company has prudently applied the [reasonable information exemption] in accordance with relevant regulations.
Capital deployment		
33		Due to the Company's current limited measurement capabilities and resources, the statistical results of relevant indicators such as the amount and percentage of the Company's total assets or business activities affected by climate-related risks and opportunities are subject to high uncertainty. Therefore, the Company has prudently applied the [reasonable information exemption] in accordance with relevant regulations.
Internal carbon pricing		
34	34.a	During the reporting period, the Company did not apply an internal carbon pricing mechanism in its decision-making. The Company will continue to monitor the development of domestic and international carbon markets and policy trends, and prudently assess the necessity and feasibility of introducing carbon pricing tools in the process of deepening its climate strategy in the future.
	34.b	
Remuneration		
35		During the reporting period, the Company did not include climate-related considerations in its remuneration policy.
Industry indicators		
36		Developing Green Finance Devoting to Responsible Investment
Climate-related targets		
37	37.a	The Company has currently established management targets related to electricity consumption but has not yet set specific greenhouse gas emission reduction goals. However, the Company continuously responds to the latest international agreements on climate change, ensuring that its financial businesses and own operations align with the global trend of climate transformation. In the future, the Company will formulate climate-related targets based on its own development trajectory.
	37.b	
	37.c	
	37.d	
	37.e	
	37.f	
	37.g	
	37.h	
38	38.a	
	38.b	
	38.c	
	38.d	
39		
40	40.a	
	40.b	
	40.c	
	40.d	
	40.e	
Applicability of Cross-industry Indicators and Industry Indicators		
41		The adaptability assessment has been conducted.

GRI Content Index

Statement of Use	Shenwan Hongyuan Group Co., Ltd. has prepared this report with reference to the GRI Standards. The reporting period is from January 1, 2025 to December 31, 2025.
GRI 1 Standards Used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Sections
General Disclosures		
GRI 2: General Disclosures 2021	2-1	About Shenwan Hongyuan
	2-2	About this Report
	2-3	About this Report
	2-4	About this Report
	2-5	Independent Assurance Report
	2-6	About Shenwan Hongyuan
	2-7	Bringing Strength Together, Strengthening Talent Development
	2-8	Bringing Strength Together, Strengthening Talent Development
	2-9	ESG Governance and Strategy
	2-10	Strengthening Corporate Governance
	2-11	Strengthening Corporate Governance
	2-12	ESG Governance and Strategy Strengthening Corporate Governance
	2-13	ESG Governance and Strategy Strengthening Corporate Governance
	2-14	ESG Governance and Strategy
	2-22	ESG Governance and Strategy
GRI 3: Material Issues 2021	2-29	Materiality Assessment
	3-1	Materiality Assessment
	3-2	
Economic		
GRI 201: Economic Performance 2016	201-2	Responding to Climate Change
GRI 203: Indirect Economic Impacts 2016	203-1	Building China into a Financial Power, Serving National Strategies
	203-2	Forging Ahead Towards Innovation, Boosting Green Development
GRI 205: Anti-corruption 2016	205-1	Regulated Business Practices
	205-2	
	205-3	

GRI Standard	Disclosure	Sections
Environmental		
GRI 302: Energy 2016	302-1	Responding to Climate Change ESG Data Table and Notes
	302-2	
	302-3	
	302-4	
GRI 303: Water and Effluents 2018	303-1	Water Resources Management ESG Data Table and Notes
	303-2	
	303-3	
GRI 305: Emissions 2016	305-1	Responding to Climate Change ESG Data Table and Notes
	305-2	
	305-3	
	305-4	
	305-5	
GRI 306: Waste 2020	306-1	Waste Management ESG Data Table and Notes
	306-2	
Social		
GRI 401: Employment 2016	401-1	ESG Data Table and Notes
	401-2	
GRI 403: Occupational Health and Safety 2018	403-1	Employee Care and Communication ESG Data Table and Notes
	403-2	
GRI 404: Training and Education 2016	404-1	Employee Training and Development ESG Data Table and Notes
	404-2	
	404-3	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Talent Attraction and Retention ESG Data Table and Notes
GRI 406: Non-discrimination 2016	406-1	Talent Attraction and Retention
GRI 408: Child Labour 2016	408-1	Talent Attraction and Retention
GRI 409: Forced or Compulsory Labour 2016	409-1	Talent Attraction and Retention
GRI 417: Marketing and Labelling 2016	417-1	Optimising Financial Services Protection of Investor Rights and Interests
	417-2	
	417-3	
GRI 418: Customer Privacy 2016	418-1	Data Security and Customer Privacy Protection ESG Data Table and Notes

Independent Assurance Report



Independent Practitioner's Limited Assurance Report

To the Board of Directors of Shenwan Hongyuan Group Co., Ltd:

Report on selected information in Shenwan Hongyuan Group Co., Ltd.(hereafter referred to as the "Shenwan Hongyuan")'s 2025 Sustainability / Environmental, Social and Governance Report (hereafter referred to as the "ESG Report") as of and for the year ended 31 December 2025. This English version is a translation, should there be inconsistency between the English edition and the Simplified Chinese edition, the Simplified Chinese edition shall prevail.

Conclusion

We have performed a limited assurance engagement on the following selected key performance information in Shenwan Hongyuan's ESG Report as of and for the year ended 31 December 2025 (hereafter referred to as "the assured performance information"):

The assured performance information	Point in time or period subject to assurance
Total number of employees (the Group's headquarters) (persons)	As of 31 December 2025
Total number of female employees (the Group's headquarters) (persons)	As of 31 December 2025
Total number of new employees (the Group's headquarters) (persons)	As of 31 December 2025
Electricity consumption of the Company's headquarters in the office building in Beijing (MWh)	For the year ended 31 December 2025
Total assistance funds (RMB 10 thousand yuan)	For the year ended 31 December 2025



Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that Shenwan Hongyuan's assured performance information as of and for the year ended 31 December 2025 is not prepared, in all material respects, in accordance with basis set out in the appendix to this report.

Our conclusion on the assured performance information does not extend to any other information that accompanies or contains the assured performance information and our report (hereafter referred to as "other information"). We have not performed any procedures as part of this engagement with respect to the other information.

Basis for conclusion

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Restriction on use

This report is made solely to you, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Our conclusion is not modified in respect of this matter.



Responsibilities for the assured performance information

The directors of Shenwan Hongyuan are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the assured performance information that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the assured performance information and appropriately referring to or describing the criteria used; and
- preparing the assured performance information in accordance with the Basis of Preparation.

The those charged with governance is responsible for supervising the reporting process of performance information verified by Shenwan Hongyuan.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the assured performance information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the directors of Shenwan Hongyuan.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the assured performance information that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the assured performance information and other engagement circumstances, and our consideration of areas where material misstatements are likely to occur. We do not conduct our work to express an opinion on the effectiveness of Shenwan Hongyuan's internal controls. Within our work scope, the assurance procedures were implemented at the headquarter of Shenwan Hongyuan Group. In carrying out our engagement, we:



- 1) Interviewing with relevant departments of Shenwan Hongyuan engaged to provide the assured performance information;
- 2) Implementing analytical procedures on the assured performance information;
- 3) Conducting sampling inspection on the assured performance information; and
- 4) Performing recalculation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



KPMG Huazhen LLP

Beijing, China

27 March 2026

Appendix: Basis

The following standards are prepared in accordance with the requirements of Appendix C2 Environmental, Social and Governance (ESG) Reporting Guide to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Total number of employees (the Group's headquarters) (persons): It refers to the total number of all formal and on-the-job employees under employment contracts at Shenwan Hongyuan Group headquarters as of 31 December 2025 included in the term total number of employees disclosed in the ESG Report.

Total number of female employees (the Group's headquarters) (persons): It refers to the total number of all formal and on-the-job female employees under employment contracts at Shenwan Hongyuan Group headquarters as of 31 December 2025 included in the term total number of female employees disclosed in the ESG Report.

Total number of new employees (the Group's headquarters) (persons): It refers to the total number of all formal and on-the-job new employees under employment contracts at Shenwan Hongyuan Group headquarters as of 31 December 2025 included in the term total number of new employees disclosed in the ESG Report.

Electricity consumption of the Company's headquarters in the office building in Beijing (MWh): The term Electricity consumption of the Company's headquarters in the office building in Beijing disclosed in the ESG Report refers to the amount of electricity consumed by Shenwan Hongyuan Headquarters Office Beijing for the year ended 31 December 2025.

Total assistance funds (RMB 10 thousand): The term total assistance funds disclosed in the ESG Report refers to the total sum of assistance funds donated by Shenwan Hongyuan and its subsidiaries for the year ended 31 December 2025.



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