



2016

CHINA SECURITIES INVESTOR PROTECTION FUND CORPORATION LIMITED
ANNUAL REPORT 2016



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Liu Hongtao
Chairman of the Board of Directors

MESSAGE FROM CHAIRMAN

In 2016, thanks to the correct leadership of CSRC and support from MOF and PBC, SIPF arranged its activities in strict accordance with the spirits of the 18th CPC National Congress and the 3rd, 4th, 5th and 6th Plenary Sessions of the 18th CPC Central Committee and the Central Economic Work Conference as well as the requirements “to prevent and mitigate financial risks, and to create as soon as possible a stock market with complete financing functions, well-established basic regulations, effective market regulation and sufficient investor protection”; SIPF made remarkable achievements in promoting full-range fund monitoring, safeguarding investors’ funds, building effective risk monitoring system for securities companies, promoting the equality-based investor protection campaign, expanding investor education and service channels, exploring the 5D information collection system, and promoting the pilot resolution for securities dispute and investor protection legislation research.

Missions are accomplished through practical works. In 2017, SIPF will uphold the principles of steady growth and preventing system risks. It will spare no efforts to strengthen Party governance, undertake the “two responsibilities”, safeguard the bottom line, and make steady progress in protecting investors’ legal rights and interests. It will attach great importance to studying the political properties and functions of capital market and the essence of investor protection in the socialist market economy, in order to fulfill its obligations of supporting the regulators, market and investors, facilitate the innovative development of the capital market and SIPF, protect investors, and greet the upcoming 19th CPC National Congress.

Liu Hongtao
Chairman of the
Board of Directors

CORPORATE PROFILE



INTRODUCTION AND ORGANIZATION

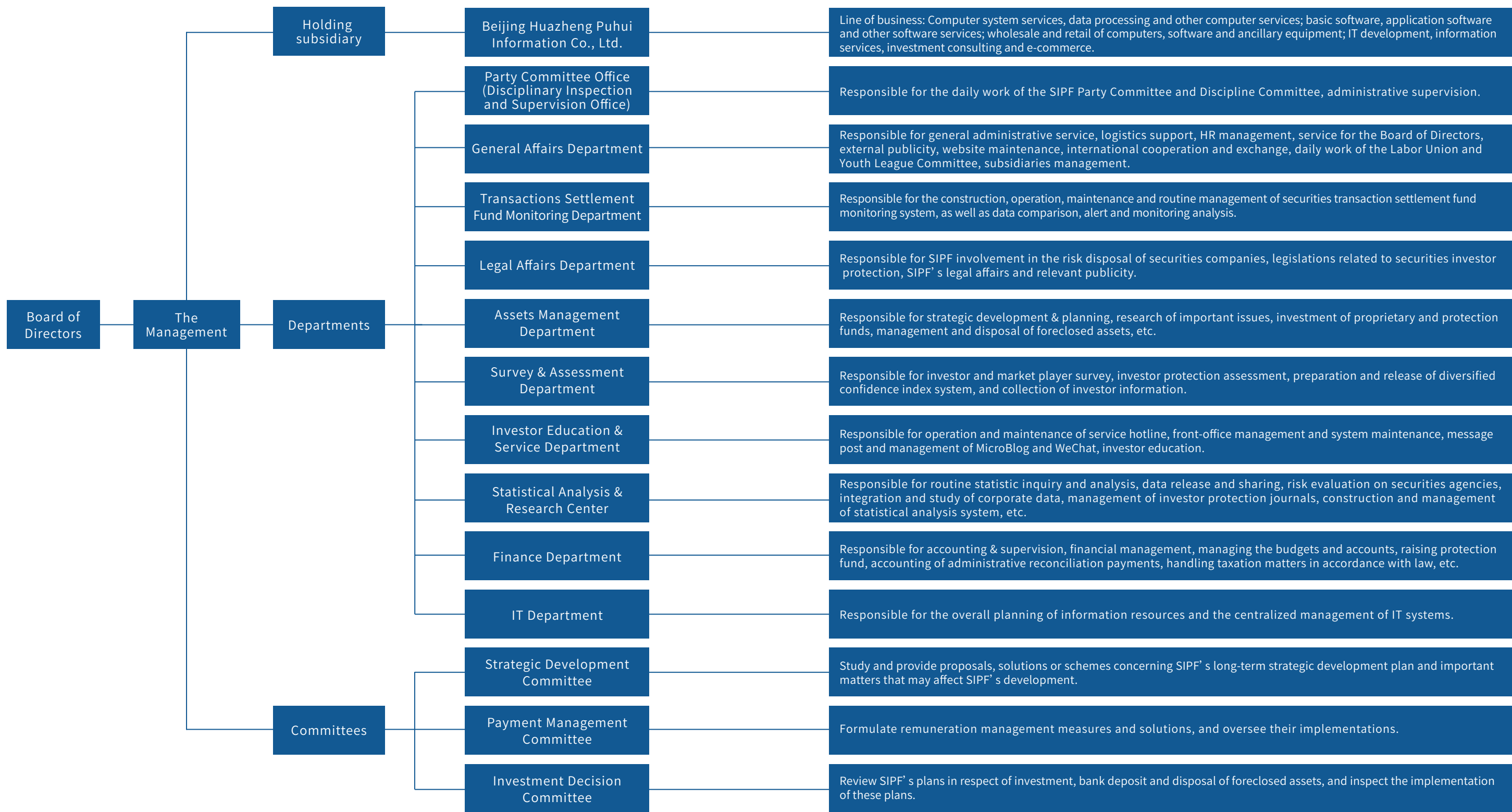
With the approval of the State Council, the CSRC, MOF and PBC promulgated the Measures for the Administration of Securities Investor Protection Fund (the “Measures”) in June 2005, which provides for the establishment of the wholly state-owned China Securities Investor Protection Fund Corporation Limited (hereafter “SIPF”) and the articles of association of the SIPF. On August 30, 2005, SIPF was registered with the State Administration for Industry and Commerce, with a registered capital of RMB6.3 billion that is provided by the State Council through the MOF. SIPF is subordinate to CSRC.

Decision making is the responsibility of the Board of Directors, and the management is responsible for corporate operation and management. Inside the SIPF there are 10 departments: Party Committee Office (Disciplinary Inspection and Supervision Office), General Affairs Department, Transactions Settlement Fund Monitoring Department, Legal Affairs Department, Assets Management Department, Survey & Assessment Department, Investor Education & Service Department, Statistical Analysis & Research Center, Finance Department and IT Department; below the Board of Directors there are Strategic Development Committee, Payment Management Committee, and Investment Decision Committee; SIPF has 1 subsidiary: Beijing Huazheng Puhui Information Co., Ltd.

BOARD OF DIRECTORS AND THE MANAGEMENT

Mr.Ge Yi	Ms.Zhang Xiaowei	Ms. Liu Hongtao	Mr. Yang Mingji	Mr. Fu Yi
Deputy GM	Deputy GM	Board Chairman	Vice Chairman	Secretary of Committee for Disciplinary Inspection

CORPORATE STRUCTURE



MAIN FUNCTIONS

China Securities Investor Protection Fund Corporation Limited (hereafter “SIPF”) was established by the State Council on August 30, 2005 and is a wholly state-owned company under the supervision of the CSRC. SIPF’s main responsibility is to raise, manage and operate the securities investor protection fund; to monitor risks of securities companies and participate in the risk disposal of these companies; to indemnify creditors as required by China’s relevant policies in case that a securities company is subject to compulsory regulatory measures, including dissolution, closure, bankruptcy, or administrative takeover, trustee operation by CSRC; to organize and participate in the liquidation of the dissolved, closed or bankrupt securities companies; to manage and dispose foreclosed assets and safeguard SIPF’s rights and interests; to put forward regulatory and disposal suggestions to CSRC in case a securities company’s operation and management have material risks that may damage the legitimate interests of investors and the safety of the securities market; to work with relevant authorities in establishing a rectification mechanism for the potential risks arising in the course of the operation of securities companies; to undertake other functions approved by the State Council.

In addition to dealing with the remaining work of securities companies’ risk disposal and earnestly raising, managing and operating the protection fund, SIPF has made use of the clients’ transaction settlement fund monitoring system to protect the safety of investors’ funds; served as the special compensation fund administrator, and actively explore alternative investor compensation mechanisms; strengthened investor protection and service system’s construction and integrated 12386 hotline, survey sample pool and other platforms to enable medium and small investors to report relevant issues in an unhindered manner.



PERFORMANCE IN 2016



In 2016, thanks to the correct leadership of CSRC and support from MOF and PBC, and in strict accordance with the spirits of the 18th CPC National Congress and the 3rd, 4th, 5th and 6th Plenary Sessions of the 18th CPC Central Committee and the 3rd, 4th, 5th and 6th Plenary Sessions of the Central Committee for Discipline Inspection as well as the work arrangements of CSRC Party Committee and the residing Disciplinary Inspection Group, SIPF made down-to-earth efforts in Party governance, inspection and rectification, and Party member education. In strict accordance with the requirements set forth by the new “Nine-Point Guidelines”, “Nine-Point Guideline for Investor Protection” and the Conference on Securities and Futures Supervision, SIPF gave full play to its role in the “one body and two wings” investor protection structure, carried forwards the equality-based investor protection campaign, and accomplished normalization of rigid corporate governance, systemization of ideological education and long-effective supervision and inspection. In the year, we made remarkable improvements in supervising the risks of securities companies and funds of investors, satisfying investors’ demands, building up the multi-channel investor compensation system, and supporting regulatory transformation by overall data utilization. Below is a summary of SIPF performance in 2016 and main tasks in 2017.

1. PERFORMANCE IN 2016

1.1 Normalized rigid corporate governance in strict accordance with the work arrangements of the CPC Central Committee and CSRC Party Committee

In early 2016, the Party Committee formulated the Key Points in Party Building and the Key Points in Supervision Works of the Committee for Disciplinary Inspection, drafted the Study Plan of Party Committee Central Group, and prepared the Party Member Education Scheme to specify the key tasks in the year and strengthen Party governance and corporate governance.

1.1.1 Intensified the governance of the Party Committee and give full play to its role in the core

leadership

First, the policies for the Party Committee were updated. We amended the Rule of Procedure for Party Committee Meetings and the Resolution on Intensifying Party Governance of the Party Committee and formulated the Rules on the Works of Party Committee and the Rules on the Studies of the Party Committee Central Group, to specify the “two responsibilities”. Second, the Party governance mechanism was consolidated. We established the Party Governance Team, organized three meetings centering on Party member education and inspection & rectification, and proposed specific measures in this regard. Third, we established the interview and coaching mechanism of the Secretary of the Party Committee to improve accountability and the experiences of the secretaries and members in Party branches, which by means of meetings and interviews, the Secretary of the Party Committee help the leadership, secretaries of Party branches and department heads improve accountability, fulfill their obligations, streamline rules and procedures, gain experiences and intensify inspections. Fourth, we organized the Party Committee Central Group studies, including four symposiums in CSRC, five in SIPF, as well as workshops on the Party Constitution, the spirit of the 6th Plenary Session of the 18th CPC Central Committee, the important speeches of President Xi Jinping and the Methods of Work of Party Committees by Mao Zedong. We also organized 11 Party Committee meetings to disseminate the requirements of the Central Committee and CSRC.

1.1.2 Strengthened the management of Party members and cadres to raise their awareness, define responsibilities and abide by the rules on clean governance

First, we formulated six sets of regulations on discipline execution, including the rules on supervision and interview, the rules on discipline inspection team and the rule of procedure for the meeting of the Committee for Disciplinary Inspection, and created the mechanism for interview of the Secretary of Committee for Disciplinary Inspection. We also held meetings with Party Committee members to solve problems,

interviewed ten department heads to specify disciplinary requirements, and communicated with employees to disseminate disciplinary rules of SIPF. Second, we worked out the Accountability Agreement on Party Building and Clean Governance signed by the cadres at medium level and above, and the Commitment Letters on Integrity and Self-discipline signed by all employees. Third, we made inspections on stock transactions, including self-inspection and audit, to find out and handle defects. Fourth, we requested the leadership members to disclose their personal information. Two members were selected on a random basis and made disclosures. Fifth, we carried out clean governance education by means of meeting, bulletin and SMS to disseminate the guidelines, policies and instructions relating to Party building, clean governance and discipline inspection.

1.1.3 Further enhanced Party affair management on Party membership and membership dues

First, we consolidated the Party membership management, investigated and confirmed the transferring-out of Party members. Second, we further optimized the policy for collection and management of Party membership dues and calculated the payable dues on a monthly basis. We also formulated the Detailed Rules on the Collection, Use and Management of Party Membership Dues to ensure monthly payment by individual members. Third, we made efforts to recruit Party members. We formulated the Guidelines on Admission of New Party Members in SIPF, according to which two new members were accepted as probationers and two probationers became permanent members. In addition, the Party member education campaign further promoted the influence of the Party and resulted in nine applications for membership in the year.

1.1.4 Reinforced Party branch management and development

First, the Party branch work system was perfected. We formulated the Detailed Rules on Party Branch Works and the Opinions on Implementing the “Three Meetings and One Class” Requirements to standardize the work process of Party branches. Second, frequent training courses and

communication opportunities were provided for secretaries and members of Party branches. We organized training courses on the Guidelines on Admission of New Party Members in SIPF and symposiums on Party member education and recruitment to elevate the capabilities of the secretaries and members. Third, inspections were made in Party branches, and rectification measures proposed regarding recruitment and organization of Party members to standardize Party branch development.

1.2 Rectified prominent problems according to inspection feedbacks and ensured long-effective supervision

1.2.1 Rectification in line with feedbacks of the Central Inspection Group

According to the feedbacks and CSRC requirements, the Party Committee held meetings and developed the Breakdown of Rectification Measures and Implementation Plans, and worked out a report on rectification results.

1.2.2 Rectification in line with feedbacks of CSRC inspection

First, immediately after the inspection, we formed a rectification group, defined relevant measures, and specified responsible persons and rectification deadlines. Second, we modified/formulated over 30 regulations on Party affairs, finance, business and cadre administration including the Rules on the Works of Party Committee. In response to the requirements on large-amount funds, we revised the Measures for Investment Management and promulgated the Measures for the Management of Bank Savings to enhance account management and establish the account checking mechanism. Third, we established the rectification schedule to check rectification progress on a weekly basis.

1.2.3 Intensified supervision and inspection and created a long-effective rectification mechanism

First, we organized various inspections, including inspections on stock transactions in coordination with the residing Disciplinary Inspection Group, and inspections on sensitive information management followed with reports and rectification requirements. We also made internal audits on the resignation of GM and the expenditure of the Labor

Union. Second, we provided satisfactory assistance to the residing Disciplinary Inspection Group.

1.3 Customized Party member education activities

In compliance with CSRC arrangement, we organized various Party member education campaigns at Party branch level, including themed training, symposium, examination and inspection, and formed the effective study, practice and rectification system. First, we made three work plans to define the overall and specific objectives. Second, we organized various trainings and symposiums. The output included 11 Party Committee meetings, 8 lectures by the leadership, 16 lectures by Party branches, 67 trainings for Party branches and 90 articles released by Party branches. Third, we organized education activities by various means, such as the WeChat community for independent study, real-time communication and sound study atmosphere, in order to normalize the education process. We also organized monthly education activities, including the film on the Constitution of CPC and the exhibition on the 80th anniversary of the Long March. Party branches were encouraged to give classes on the history of CPC and China. Fourth, we held commendation meetings to celebrate the 95th anniversary of CPC and commend excellent Party members, Party affair officers and Party branches. Fifth, we incorporated the spirit of the 6th Plenary Session into Party member education campaigns. Party Committee meetings, Central Group trainings and Party branch classes were organized to study the spirits of the 6th Plenary Session and relevant documents, and the new ideas and approaches in the important speech of President Xi Jinping were highlighted in Party governance. Sixth, the Party branches had held themed meetings and democratic evaluations on schedule.

1.4 Carried forward the full-range fund monitoring to protect investors' funds

1.4.1 Expanded the scope of fund monitoring to effectively protect investors' funds

First, funds of OTC investors in securities companies' OTC market, inter-institution private product quotation and service, and precious metal market were included into the monitoring system,

thus achieving full-range monitoring of investors' funds. Second, data on investors' market value were included into the monitoring system. Third, we actively followed up the monitoring plan for Shenzhen-Hong Kong Stock Connect to enable fund monitoring and alert when the business was available.

1.4.2 Continuously improved monitoring and resolution mechanism to support monitoring over securities companies

First, we carefully made monitoring comparison and alert to support regulators. As of December 31, we had analyzed 408,100 monitoring suspicions and reported 231 alerts (including 2 significant alerts) to 30 regulatory authorities involving RMB16.443 billion, 74 securities companies and 10 custodian banks. On this basis, the regulatory authorities made on-site and off-site audits and ordered 8 securities companies to make more frequent internal compliance audits and rectifications. Second, we notified and reported the fund gaps identified in 9 securities companies, totaling RMB1.373 billion, as well as the monitoring results of clients' funds in connection with securities margin trading business and Hong Kong Stock Connect business and account errors found in fund settlement of some designated commercial banks. The Department of Fund and Intermediary Supervision of CSRC, regulatory authorities and CSDC gave high concern and took measures accordingly. Third, we explored and established the alert mechanism for custodian banks, facilitated CGB and BOC's automatic liquidation system for daily bank-securities transfer to minimize the risk of manual operation by clerks of bank branches. We also supported CEB's optimization of its liquidation system for bank-securities transfer to better help clients' fund transfer. Fourth, we organized trainings for securities companies throughout the market to study over 100 monitoring alert cases since 2015 and help them make improvements.

1.5 Constructed a sound risk monitoring system for securities companies using Big Data and further improved the level for industrial risk control

1.5.1 Shaped the "three-in-one (monitoring & identification, quantitative evaluation, and alert)"

risk monitoring system for securities companies

First, we prepared the Risk Monitoring Indicators for Securities Companies (V1.0), including 18 core indicators on market risks, liquidity risks, credit risks and operating risks, which preliminarily realizes uniform risk identification and standard quantification; indexing and quantification of risks of securities companies and overall industrial risks; multi-layer and multi-dimensional risk comparison and analysis; major risk alert and immediate tracking of risk dynamics. Second, we worked out and submitted to CSRC the Monitoring and Analysis Report on the Risks of Securities Companies which specifies the individual and overall risks of securities companies during the stock market cycle between January 2014 and June 2016, and received appreciation and instructions from CSRC. Third, we made monthly full-market risk monitoring to study the individual and overall risks and risks falling into the four major types, and on this basis prepared and submitted to CSRC the Monthly Monitoring Report on the Risks of Securities Companies for July, August and September. Fourth, we put focus on hot issues and submitted to CSRC the Special Monitoring Report on Clients' Funds in the Securities Market--Trends, Causes and Structural Characteristics of the Decline of Clients' Transaction Settlement Funds, which reviewed the changes in funds and investors' structural behaviors during the abnormal stock fluctuation in June 2015 and the circuit breaker activated by the sharp market volatility in early 2016. Fifth, we made internal and external data verification. We consulted securities companies to verify the data on positions, and planned to make external verification based on investors' position data provided by Shanghai Stock Exchange.

1.5.2 Strengthen routine statistics to support regulatory enforcement

First, we properly handled routine statistics, analysis and reports. As of December 31, we had submitted 12 issues of Monthly Monitoring Report on Clients' Funds--Fund Dynamics, 244 issues of Daily Report on Changes in Clients' Transaction Settlement Funds in Securities Market, and 51 issues of Analysis Report on Changes in Clients'

Transaction Settlement Funds in Securities Market (weekly). Second, we made continuous efforts to assist in inquiry and sharing of regulatory enforcement information. As of December 31, we had helped the Enforcement Bureau and Enforcement Contingent of CSRC, Shanghai and Shenzhen Commissioner Offices, Shanghai Stock Exchange and NEEQ to check 153 pieces of information involving 407,843 investor accounts, 40% higher than the previous year. In addition, we ensured data sharing with related CSRC departments and organizations within the system to serve regulatory enforcement.

1.6 Deepened the equality-based investor protection campaign

1.6.1 Updated the hotline system to improve service ability

First, the system capability was improved. We added the work flow engine capable of direct order transfer and complaint-settlement matching, the new statement function capable of statistics and analysis, and the new hardware and band width that secure high-speed processing, and reserved interfaces that support system connection and new functions, and enabled user demands and realized effective system operation. Second, we did our best to improve service ability and defuse complaints. In the year, we amended 1,813 pieces of information in the knowledge base, and organized 373 trainings for hotline operators. Questions within the scope would be identified and given quick responses; questions on market businesses would be transferred to legal consultants and then be reviewed; questions on policies would be transferred to the back office, and the complainers were suggested to contact the complained. In case of invalid complaints, we tried to help investors verify the facts and make valid complaints. In the year, the 12386 Hotline received 131,574 calls, of which 123,899 or 94.2% were solved by the operators, and 7,675 transferred to regulatory authorities. Third, we defined the work principles to swiftly respond to, report and handle complaints, comfort the complainers and appropriately deal with sensitive issues. The hotline also made valuable pre-warnings for issuers concerning heavy loss of investors, such as the suspended IPO of *ST

Boyuan and Guangfa Securities' sales of Baoying New Dynamics. We also continuously improved response to and mitigation of special cases to minimize group or extreme events and guaranteed the stability of the securities market and public security. In the year, the hotline received total 255 sensitive or emergent cases, all of which were reported and well settled in a timely manner.

1.6.2 Prepared reports on the protection of multiple investors and established the assessment system for the protection of medium and small investors

First, the investor protection assessment indicator system was completed. We designed and demonstrated the assessment indicator system and the value quantification standards for the protection of securities companies, public placement fund managers and futures investors to safeguard investors' rights to property safety, services, supervision and complaints, independent choice, fair transaction and compensation. We also investigated the telephone availability of investors, websites and information disclosure of listed companies, appropriateness of the websites of public placement funds, weights of the indicator systems and investor protection status, and on this basis worked out practical assessment indicators and weights. Second, progresses were made in the assessment mechanism. We helped to form reporting groups respectively for listed companies, securities companies and public placement fund managers, and futures, created the demonstration mechanism, and worked out the market-accepted assessment methods and indicator system. Third, we developed and released the 2015 Report on Investor Protection of SROs in the Securities and Futures Market, 2015 Assessment Report on Investor Protection of Companies Listed in A-share Market and 2015 Assessment Report on Investor Protection of Securities Companies; conducted research on the assessment of the effectiveness of investor protection policies to define the assessment content, methodology and framework, and lay a solid foundation for formulating the White Paper on Investor Protection in Chinese Capital Market.

[1.7 Diversified investor service methods for effective protection](#)

1.7.1 Maintained CSRC MicroBlog and WeChat to deliver "positive energy" to medium and small investors

First, we provided dual channels, namely the MicroBlog and WeChat, to ensure smooth communication with and quick response to investors. Second, we took good care of the daily maintenance of the two channels. In the year, we posted 1,899 MicroBlog messages and 383 comprehensive information on the official account of WeChat. We also carefully monitored the MicroBlog comments, disposed of 723 and reported 133 comments to CSRC; organized MicroBloggers to review hot posts and left more than 700 comments. Third, we kept improving maintenance. We updated the Process of Maintaining CSRC Microblog and WeChat Accounts, the Manual for Microblog and WeChat Operations, refined the Notes on Posting Microblog and WeChat Messages, and organized tests of operators' response abilities to improve work efficiency.

1.7.2 Made good use of website, MicroBlog and WeChat to serve investors

First, the official website was redesigned with focus put on investor risks in securities market, advice on investment, know-how on securities, laws and regulations, and investor protection. We also provided the contact information of SIPF and Q&A hotline. As of December 31, the website posted 67,780 articles and 96 pictures, and the Q&A hotline received 81 calls. Second, the MicroBlog and WeChat platforms were updated. As of December 31, the four MicroBlog platforms had posted 407 messages, and the WeChat platform posted 192 messages and recorded over 1,035,200 followers. Third, we kept refining investor education products and introduced new cases based on the 12386 hotline orders and business fruits of SIPF. As of December 31, we had released 45 education cases in three issues through MicroBlog and WeChat. Currently, we are producing the animation film and cartoon series. We held the expert meeting on case selection and finalized the proofreading scheme for the A Selection of Investor Protection Cases in USA. Fourth, in addition to the weekly "Fund Balance and Change of Securities and Stock Equity Investors", we provided monthly data

for better reference for the market and investors, which were reported by Shanghai Securities News, finance.sina.com.cn and securities companies' reports, and drew attention from research institutions, colleges, individual and institutional investors.

[1.8 Continuously improved information collection and analysis efficiency, explored the 5D information collection system and created the comprehensive information process platform](#)

Based on the constant efforts made in summarizing securities companies' reports, multi-subject confidence index survey, individual and institutional investor information collection, public opinions and investors' demands, and investor behavior analysis, we created the 5D (multi-subjects, multi-contents, multi-channels, multi-methods and multi-frequency) information collection system to collect and analyze information and support decision-making by regulators.

1.8.1 Extracted representative reports of securities companies as direct, objective, timely and specific references

In line with the spirit of the Special Conference on Investor Survey of CSRC, we selected representative reports of securities companies to prepare the Daily Extraction of Research Reports as a 10-minute reference for CSRC and competent authorities. We received reply to the first issue and accordingly expanded the reporting scope of the instant, dynamic, continuous and in-depth Extraction. As of December 31, we had submitted 35 issues of Daily Summary of Research Reports and 221 issues of Daily Extraction of Research Reports to CSRC.

1.8.2 Perfected the multi-subject confidence index system to gather investor demands and market information from various channels

First, we optimized the preparation of investor confidence index system. The monthly investor confidence index was adopted by the State Council's operating risk alert indicator system for securities and futures industry and submitted to the General Office of the State Council, the General Office of CPC Central Committee and the Office of Central Committee's Leading Group for Financial and Economic Affairs. The investor confidence index

for August was quoted by the Important Information of the General Office of the State Council. Second, we established the business office manager confidence index and public placement fund manager confidence index to expand the coverage of confidence index. We created the multi-subject confidence index system including investors, business office managers and public placement fund managers, released the Report on the Operation of Investor Confidence Index for the first half of 2015, and formulated the Comparative Report on Investor Confidence Index and Market Trends.

1.8.3 Rapidly collected information on individual and institutional investors to promptly understand their demands

To gain direct, objective, proper and prompt dynamics of investors, especially against the harsh market volatility, we established the information collection mechanism for individual and institutional investors. The mechanism would be activated in case SSE Composite Index indicates price change exceeds 2% in a transaction day, and 12 representative individual investors and 5 general institutional investors would be selected from the sample bank for telephone survey based on which the Daily Information Report on Individual and General Institutional Investors would be made and submitted to CSRC. All these would be done within 2 hours. So far, we have submitted 11 reports on investor confidence surveys, business office manager confidence surveys and investors' concerns, and 39 issues of Daily Information Report on Individual and General Institutional Investors.

1.8.4 Monitored public opinions and investors' demands and established long-effective monitoring mechanism in this regard

First, we monitored the public opinions of key online groups. We collected the opinions of over 70 financial experts, online leaders and VIP bloggers, who were selected according to the number of followers, influence and contents and frequency of posts, on market trends, hot issues, regulatory policies and their representative perspectives, and prepared the Abstract of Public Opinions to be submitted to CSRC from time to time. Second, we analyzed about 20,000 orders of 12386 hotline and

developed the Report on Investors' Opinions through 12386 Hotline. Six issues had been submitted to CSRC and one issue received reply.

1.8.5 Made in-depth analysis and follow-up on investor behaviors

First, investors were classified for analysis to build up the sample base. We analyzed the information on individual investor samples, launched the survey APP and sample management information system, enabled sample classification by investment amount and region, and improved management of business office manager sample base, preliminarily creating the dynamic investor classification survey system. Second, we studied the fund flow in sales of A-shares in securities market and submitted weekly and monthly reports (SSE Composite Index indicates daily price drop exceeds 2% (inclusive)). As of December 31, we submitted 9 daily reports and 46 weekly reports. We also initiated the Analysis on Investor Structure and Behaviors in Securities Market and the Research on Risk Monitoring of China's Securities Companies. Third, we submitted to CSRC the Special Report on Telephone Accessibility of the Securities and Futures Markets in 2016, the Report on Securities Investor Satisfaction in 2016 and the Report on Website Construction and Online Information Disclosure of the Companies Listed in A-share Market in 2016, which covered all the 3,035 market players, including listed companies in A-share market, securities companies, fund management companies and futures companies, and received commends. We also supported the Department of Fund and Intermediary Supervision of CSRC in the "survey of structured fund investors" and "survey of investor structure and behaviors in securities market".

1.9 Explored advance compensation mechanism, pushed forward pilot of securities dispute resolution

1.9.1 Explored advance compensation mechanism to effectively protect investors

We summarized Wanfu Biotechnology and Hirisun investor compensation, explored new approaches to investor protection, and served as the administrator of the Advanced Compensation Funds for Industrial Securities investors. We

developed the compensation plan and streamlined the compensation procedures to ensure the compensation of no less than 50% of the losses of eligible investors.

1.9.2 Created proper mechanism to push forward the pilot of securities dispute resolution

SIPF was designated as one of the eight pilot resolution organizations. First, we studied and designed the methodology for the pilot work. Second, we issued the Administrative Measures for Securities Dispute Resolution (Trial), the Rules on Securities Dispute Resolution (Trial) and the Rules on the Mediator of Securities Dispute Resolution (Trial) to normalize the work process, the rights and obligations of each party and the requirements on the mediator. Third, we established the Securities Dispute Resolution Committee to lead the resolution works and convened its first meeting. Fourth, we appointed 18 experts as the first group of mediators. Fifth, the Securities Dispute Resolution Center was approved by CSRC, developed its inauguration plan, and was ready for one-on-one resolution. Sixth, we commenced the preparation for one-on-more resolution.

1.10 Revised the Measures for the Administration of Securities Investor Protection Funds and made great progress in legislation

First, We solicited public opinions via CSRC and published the revised Measures for the Administration of Securities Investor Protection Fund, which came into force on June 1. Second, We made continuous efforts to formulate the Regulations on Securities Investor Protection Fund. We drafted the Research Plan for the Administration, Use and Raising of Securities Investor Protection Fund of the State, and developed special reports in collaboration with partners.

1.11 Enhanced raising and administration of investor protection fund to ensure appreciation of state-owned assets

1.11.1 Spared no efforts to collect payable investor protection fund.

In 2016, we raised a total RMB7.522 billion from the market.

1.11.2 Increased the profits, updated administration

and improved asset management.

As of December 31, we realized a profit of RMB1.908 billion from bank savings, indicating an annualized yield rate of 4.13%, and RMB276 million from entrusted investment (excluding management fee), suggesting an annualized yield rate of 2.58%.

1.11.3 Actively performed the rights and obligations of shareholder.

In the year, we attended the 2015 shareholders' meetings of five listed companies, reviewed 75 proposals and addressed inquires on several proposals, and voted against three proposals and gave abstention vote to one proposal. We intended to impose external pressure on listed companies to urge them to raise awareness and intensify protection of investors.

1.12 Strengthened regulations and team building to constantly upgrade corporate governance

1.12.1 Strengthened corporate policies and standardized internal management to further enhance corporate governance

First, we improved and enhanced the execution of corporate governance policies. We formulated the "Three Important and One Big" decision making process, investigation methods, awarding and punishment measures, revised the policies on fixed assets, low-value and consumable properties, international communication and cooperation, private trip abroad, duty performance of Company leaders, and business entertainment, and organized trainings for all staff members to improve policy enforcement. Second, we intensified cadre management, standardized the policies on private trip abroad and domestic business trip of mid-level officers, formulated and honestly implemented the plan for re-engagement of mid-level officers, and included their personal information disclosure and unlawful stock transactions into their annual assessments. Third, we consolidated supervision and management of subsidiaries in line with the Company Law and modern corporate governance requirements. We successfully completed the business tax-VAT conversion, standardized tax accounting, and ensured tax declaration and payment. We strengthened corporate archive management, and observed the archive registration

system. We also made constant efforts to improve services and logistics to ensure business operation and benefits of employees.

1.12.2 Steadily enhanced HR management to support business operation

First, we secured the access bar of recruitment. In the year, we recruited 7 employees, all of them were postgraduates and Party members. Second, we highlighted personnel training. We developed the annual training program and carried out 50 trainings in the year. Third, in terms of cadre engagement and promotion, we honestly performed the examination and democratic review processes for the nominees. Fourth, we adopted appropriate performance assessment and remuneration policies, and made full use of the incentive policies. Fifth, we give full play to the synergic role of the Party, Youth League, Labor Union, Youth and Women's federations to build up the employee team.

1.12.3 Actively enhanced and deepened international communication and cooperation

First, after the signing of the China-Russia MOU, SIPF, as the only representative of investor protection funds in East Asia, attended The 1st International Conference for the protection of investors' rights in EEU countries and China where it first exchanged ideas with CIS countries on issues related to investor protection in order to seek in-depth cooperation. Second, we paid five external visits and effectively built up the ties with IOSCO, European Forum of Deposit Insurers and investor protection organizations of the US, Canada, Russia and UK. Third, we carefully summarized the fruits of the visits, studied the investor protection in foreign countries, used the publication Investor Protection Studies to probe into the innovations in foreign capital markets and drew up conclusions.

1.12.4 Provided IT support for SIPF's innovative businesses and safeguarded information security

First, solid progresses were made in IT system development. We build the independent platform of investor compensation system and made IT preparations for the advanced compensation funds, completed the local and non-local backup system for 12386 hotline, updated the historical data base of the monitoring system, optimized the data report

line of securities companies, and constructed the local system backup system. We also elevated the business support ability of the system. Second, we strengthened the confidential system security, pushed ahead cryptographic algorithm application, classified and put into record the monitoring system information security, made frequent information security checks and rectifications to ensure the security of IT system.

2. MAIN TASKS IN 2017

In 2017, SIPF on the one hand, will earnestly follow the commitments made by the 18th CPC National Congress and the 3rd, 4th, 5th and 6th Plenary Sessions of the 18th CPC Central Committee, spare no efforts to strengthen Party governance, undertake the “two responsibilities”, loyally implement the work arrangements made by CSRC Party Committee and the residing Disciplinary Inspection Group, well organize trainings and education campaigns, study the spirits of the important speeches of President Xi Jinping and the innovative ideology on state governance, and raise the “four awareness”. On the other hand, centering on the “five-in-one” overall planning and the “four comprehensive” strategy, we will stick to the overall policy of making advances while maintaining stability, attach great importance to studying the political properties and functions of capital market and the essence of investor protection in the socialist market economy, in order to fulfill its obligations of supporting the regulators, market and investors, facilitate the innovative development of the capital market and SIPF, and greet the upcoming 19th CPC National Congress.

2.1 Adhere to the spirit of the 6th Plenary Session of the 18th CPC Central Committee, implement the work arrangements made by CPC Central Committee and CSRC, and carry out rigid Party governance and corporate governance

First, We will carefully make Party building plan for 2017 centering on the spirit of the 6th Plenary Session, organize all Party members to study the latest theories, further standardize political activities and push forward the Party member education campaign. Second, We will honestly

implement the rectification opinions and enhance disciplinary supervision to achieve long-effective results. Third, We will stick to rigid requirements, highlight administration and disciplines, and make good use of the “four forms of supervision”, for the purpose of rigid Party governance and corporate governance. Fourth, We will further build up the basic level of organizational structure, give full play to the role of Party branches in Party member education, raise the awareness of rigid Party governance, and enforce the “Three Meetings and One Class” to build up the team of Party branches. Fifth, We will continue to abide by the “eight regulations” of the CPC Central Committee to upgrade the awareness of integrity and self-discipline. Sixth, We will make continuous efforts to battle against the “Four styles” and make and implement appropriate measures to cope with new problems.

2.2 Further expand the fund monitoring scope to protect investors’ funds

In face of the innovative development of securities market and new transactions, we will, first, implement front-office control over transaction settlement funds, expand monitoring scope and improve monitoring methods, make appropriate follow-up monitoring, and, at the same time, closely trace the development of ETF futures business of Shenzhen Stock Exchange and new businesses of CSRC, and gradually form the full-range fund supervision and monitoring system; second, reinforce monitoring of clients’ transaction settlement funds to improve overall monitoring and regulation effectiveness, and provide data supports and policy advice to better support the regulatory authorities.

2.3 Improve risk monitoring of securities companies in line with the requirements on risk prevention

As required by CSRC, we will focus on the counter and OTC risks of securities companies to better monitor OTC risks, study the hot issues on the risks of securities companies, and upgrade our ability of risk detection and reporting.

2.4 Further update 12386 hotline to serve investors

First, We will make continuous efforts in system update and maintenance of the hotline. Second, We

will make directly transfer of complaints and match up complaints and resolutions. Third, We will further improve the complaint review mechanism to help investors make valid complaints. Fourth, We will tap the value of data and make better use of the hotline to provide big data. We will also perfect the reporting mechanism to help regulatory authorities understand investors’ demands.

2.5 Prepare the White Paper on Investor Protection in Chinese Capital Market to optimize the investor protection assessment mechanism

On the basis of the sub-reports on listed companies, securities companies, public placement fund managers, futures and industrial self-discipline, we will study the policies and formulate the White Paper on Investor Protection in Chinese Capital Market for 2015 and 2016. We will also intensify special assessment on investor protection in market operation and report to regulatory authorities, in particular, the quality of listed companies.

2.6 Perfect the multi-subject confidence index

First, We will actively probe into and establish the sample base and prepare the confidence index of public placement fund managers, and make refined categorization of existing sample base to study the confidence of investors of various types and levels. Second, We will consolidate the management of the issuance of confidence index to provide appropriate guidance. Third, We will further study the role of confidence index in regulatory support and service for medium and small investors.

2.7 Improve the 5D information collection system to facilitate market anticipation administration

In line with the reply of CSRC Chairman Liu Shiyu, we will collect various information through multiple channels such as the Internet and Big Data in an open-minded manner, so as to help regulatory authorities address investors’ concerns, protect investors’ rights and interests, and appropriately manage market anticipation. First, Centering on regulatory requirements and market hot issues, we will gradually expand information collection scope and enhance information analysis. Second, We will make better use of Big Data to analyze investor behaviors, structures and attributes, and study the relevance of monitoring data and confidence index

with macroeconomic operation and market trends. Third, We will intensify research works, build up the ability to information integration and comprehensive processing, and pay attention to the hot issues in foreign capital markets, especially in investor protection sector.

2.8 Steadily consolidate securities dispute resolution and explore new approaches to investor protection

First, We will accept the application of investors for dispute resolution, and closely cooperate with the Beijing High People’s Court and Beijing Office of CSRC. Second, We will honestly perform the duties of the special compensation fund administrator, and carry out works in line with the schedule.

2.9 Study the issues relating to securities investor protection fund regime and perfect investor protection mechanisms

For the purpose of improving investor protection regime and mechanisms, we will enhance study on issues relating to securities investor protection fund regime, with focus put on system-related, fundamental and foresighted issues.

2.10 Intensify international cooperation, organize International Securities Investor Protection Conference

We will deepen the long-effective international communication and cooperation mechanism based on the annual International Securities Investor Protection Conference. At the Conference in 2017, we will exchange ideas with international peers on the new challenges and build up our influence.



IMPORTANT MEETINGS AND ACTIVITIES OF THE COMPANY IN 2016

Assistant Chairman of CSRC, Huang Wei Inspected SIPF



On August 25, 2016, Mr. Huang Wei, Assistant Chairman of CSRC inspected SIPF. He appreciated SIPF's progress in Party member education and rectification, and set forth requirements for the next phases: First, all employees of SIPF should, under the guidance of the Party Committee, make contribution to the development of SIPF, and gain adequate understanding of the Party member education and the instructions of the CPC Central Committee on finance, so as to effectively benefit the sound development of capital market; second, SIPF should earnestly make rectifications, adopt appropriate long-effective measures to safeguard the rules and regulations, and make down-to-earth progresses in Party building and business growth.

Awarding Excellent Party Members, Party Affair Officers and Party Branches



On July 21, 2016, SIPF held a meeting to award 10 excellent Party members, 5 Party affair officers and 2 Party branches. Ms. Liu Hongtao, Secretary of the Party Committee addressed the meeting. The meeting encouraged all Party members to learn from the award winners, devote wholeheartedly to their jobs, abide by the requirements on rigid Party governance, and strive to become eligible Party members.



SIPF Leaders Investigated the Investor Education Base of Huafu Securities

On November 16, 2016, SIPF delegation led by Chairman Liu Hongtao and Deputy GM Zhang Xiaowei investigated the investor education base of Huafu Securities. They were briefed on the profile, functional zones, operation and future plans of the base, and made in-depth communication with Fujian Office of CSRC and Huafu Securities.



SIPF Securities Dispute Resolution Center Inaugurated



As one of the eight resolution organizations specified in the Notice on the Pilot Mechanism for Diversified Resolution for Securities Disputes in Some Regions, SIPF established the Securities Dispute Resolution Committee to lead the resolution works. Vice Chairman Yang Mingji served as the Chairman of the Committee.

On October 26, 2016, the first meeting of the Committee in the year was chaired by Mr. Yang. The meeting reviewed the proposal on the engagement of the first group of mediators, and appointed 18 experts as mediators. The name list of the mediators was produced and certificates issued. The meeting was successful and laid a solid foundation for the official commencement of dispute resolution.



The 2016 Report and Situation Analysis Meeting on Clients' Fund Custody was Held

Pursuant to CSRC requirements on "lawful, rigid and overall regulation" and in order to build up the tie with related parties, SIPF and the Department of Fund and Intermediary Supervision of CSRC co-organized the 2016 report and situation analysis meeting on clients' fund custody on December 5, 2016. The meeting was chaired by Deputy GM Zhang Xiaowei, and attended by Deputy Director Wu Xiaoyong of the Department of Fund and Intermediary Supervision, as well as representatives of 7 CSRC local offices, 3 related parties, 8 securities companies and 3 commercial banks. It was the fourth meeting of its kind since 2014.

A report was delivered on the overall situation of clients' fund custody in 2016, discussion made on the general status and prominent challenges, and deployment made on the following stages. In his keynote speech, Mr. Wu said that the regular meeting was an effective vehicle to report information, discuss issues and share typical cases. The meeting was a strong support to promote the monitoring and alert system, protect clients' funds, prevent repeated defects, and was of great significance to compliant operation of the entire securities industry.



2016 Training Course on Securities Investor Survey

On June 28-30, 2016, SIPF organized the first training course on securities investor survey of the year. Deputy GM Ge Yi delivered a speech. Sample investors from 22 securities companies and coordinators from the survey headquarters participated in the training. SIPF introduced the progress in investor protection and survey, highlighted the newly launched survey APP and the functions of and instructions on the sample management information system, and elaborated the preparation of business office manager confidence index, the setup of the sample base and its operation for the first half of the year. Summaries were also made on telephone survey of investors' comments and demands, and the recommendation standards for investors in the information gathering points. The chief coordinators of the headquarters of China Galaxy Securities and Huafu Securities shared their successful experiences in making surveys and investor education. Other trainees also gave valuable comments. The successful training course laid a solid foundation for the survey business of SIPF.

On November 15-17, SIPF organized the second training course on securities investor survey of the year. Deputy GM Zhang Xiaowei attended the meeting and 70 representatives from 34 securities companies participated in the training. The meeting summarized the 2016 survey results, and focused on the survey mechanisms of SIPF, the operation of business office manager confidence index, the functions of survey APP and instructions on the sample management information system. Representatives from Soochow Securities, China Investment Securities and Caida Securities shared their experiences in assisting SIPF's survey. The meeting also solicited opinions from representatives on classified sample study and collection of investor information. The training course was well received and served as a valuable reference for SIPF's survey business.



2016 Symposium of Securities Business Office Managers

On June 29-30, 2016, SIPF organized the first symposium of securities business office managers of the year. Deputy GM Ge Yi delivered a speech. 28 securities business office managers from 18 securities companies participated in the symposium. SIPF shared information on its survey, the development of the business office manager confidence index, sampling of managers, enforcement of the survey and defects found. The representatives gave favorable comments on the survey. They recognized the APP and shared opinions on the questionnaire, survey targets, application of survey results and demands for incentives. The meeting ended up with a success.



On November 17, SIPF organized the second symposium of securities business office managers of the year, which was attended by 17 securities business office managers from 14 securities companies. SIPF shared information on the annual enforcement of the survey and the operation and application of the confidence index. To build up the understanding of the confidence index, focus was put on the preparation of the index, sampling, survey execution, survey APP and the adopted opinions from the first symposium. Representatives gave feedbacks on the questionnaire, survey execution, incentives and application of survey results that were valuable for improving the questionnaire and APP and facilitating the communication with the managers. The meeting was successful and helped representatives gain better knowledge on the index. The representatives recognized the regulatory authorities' administration of market anticipation, and said that they would actively support SIPF's survey and contribute to China's securities market.



The Ad Hoc Expert Group of Statistics and Symposium on Risk Monitoring of Securities Companies

To better perform its duties of “serving the market, regulators and investors”, and to facilitate data statistics and risk monitoring, SIPF set up an ad hoc expert group consisting of experts in the industry. On June 23, SIPF held the first meeting for the establishment of the ad hoc expert group of statistics and the first symposium of 2016 on risk monitoring of securities companies. Former Vice Chairman Song Weigang, representatives of the Statistical Analysis & Research Center and CROs of 8 securities companies attended the meeting. The meeting inaugurated the ad hoc expert group and set forth requirements on the experts. SIPF shared its research results on risk monitoring of securities companies and defined the score system combining risk valuation by experts and index weights. The experts discussed the monitoring system and framework, and gave advice on the following works.

On November 15, Deputy GM Zhang Xiaowei chaired the second symposium of the ad hoc group in 2016 on risk monitoring of securities companies. The meeting was attended by Chairman Liu Hongtao and CROs of 8 securities companies. At the meeting, SIPF reported the preliminary achievements made in the monitoring, introduced the initial plan for the Risk Monitoring Indicators for Securities Companies (V2.0), and shared information on the survey of OTC business risk monitoring. The experts also exchanged ideas on the research results of risk control over securities companies. According to Chairman Liu, SIPF would make more frequent communications with industrial experts to better serve the market, regulators and investors.

In the following stages, SIPF would intensify investigation, improve the risk monitoring system, and include OTC businesses into the risk indicator system for constant monitoring.



Symposium Held with Media Circle to Harmonize Public Opinion

Pursuant to the spirit of CSRC symposium on public opinions and business training, and to disseminate SIPF's investor protection efforts and create a favorable media atmosphere for its business growth, SIPF held a media symposium on December 16, 2016. Journalists from Xinhua News Agency, CCTV, CNR, China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily attended the meeting and made in-depth communication with SIPF.

Chairman Liu Hongtao introduced the background, responsibilities and main businesses of SIPF. The Legal Affairs Department, Transactions Settlement Fund Monitoring Center, Statistical Analysis & Research Center, Survey & Assessment Department and Investor Education & Service Department explained the functions of the securities dispute resolution center, special compensation and administrative reconciliation, investor fund security monitoring, statistical analysis and risk monitoring of securities companies, multi-subject investor protection evaluation mechanism, multi-level confidence index and settlement of investor appeals.

The journalists raised questions on the securities transaction settlement fund monitoring system, data on fund balance and change of securities and stock equity investors, survey sample base and the mechanism and effectiveness of 12386 hotline. Chairman Liu and the departments gave satisfactory answers and combined case study to explain SIPF's core principles and achievements in investor protection. The journalists also provided advice on data interpretation from their professional angle.

Chairman Liu said that SIPF would make innovative use of the media, and would focus on the Internet and MicroBlog to keep close contact with investors. She pointed out that the business departments should build up the tie with the media circle to create a harmonious atmosphere in the public.



The Sound Environment Created for the Growth of the Youth

In 2016, under the guidance of the Labor Union and the Youth League Committee of CSRC and SIPF Party Committee, the Labor Union and the Youth League Committee of SIPF made great efforts to enhance ideological education and provide diverse cultural and sports activities for employees themed China Dream and the general benefits of CSRC and SIPF. The Labor Union fully played its inspirational role among employees. The Youth League Committee emphasized its leading role in team building and explored new methodology to encourage young people to lead the tide of times, dedicate to the cause of investor protection and stand as the essential force of SIPF.



SIPF Youth League Committee organized a visit to the exhibition on the 80th anniversary of the Long March

SIPF Youth League Committee organized a visit to Beijing Luxun Museum and the New Culture Movement Memorial of Beijing at midday rest



Youth League members sang the Anthem of the Youth League at midday rest



SIPF Youth League Committee held a plenary meeting to perfect organizational structure and celebrate the Youth Day



SIPF Labor Union offered Yoga Class for employees to enrich their cultural activities and improve their physical fitness

SIPF Youth League Committee held a revolutionary poem recitation event, offering an opportunity for members to showcase their patriotism and individual charm





STATISTICAL FORMS

Statistical Summary¹

[Protection Fund Raising and Using]

In 2016, RMB17,292.1 million was raised, including RMB3,638.7 million from transaction handling fees, accounting for 21.04%; RMB3,587 million from funds paid by securities companies, accounting for 20.74%; RMB295.9 million from the interest of frozen subscription funds, accounting for 1.71%; RMB316.7 million of interest income (including fund deposit and loan interest), accounting for 1.83%; RMB746.3 million from fund investment yield, accounting for 4.32%; RMB441.2 million from compensation income from related responsible parties and redemption of bankruptcy property, accounting for 2.55%; RMB0.5 million from returned risk settlement fund advances, accounting for 0.01%; and RMB8,265.8 million from other incomes, accounting for 47.8%.

In 2016, SIPF, cumulatively, spent -RMB5,264.3 million, with RMB0.5 million for risk disposal, RMB 26.2 million for risk monitoring, RMB73 million for entrusted fund management, -RMB8,500 million for fund investments and RMB3,136 million for other expenses.

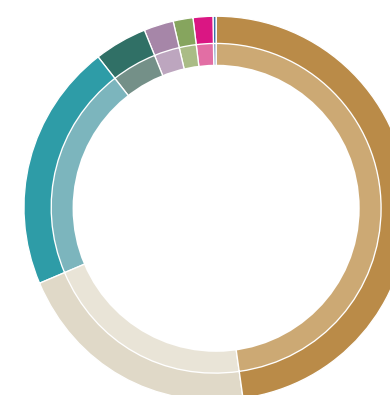


Chart 1 Protection Fund Raising in 2016

Other incomes	47.80%
Transaction handling fees	21.04%
Funds paid by securities companies	20.74%
Fund investment yield	4.32%
Compensation income from related responsible parties and redemption of bankruptcy property	2.55%
Interest income (including fund deposit and loan interest)	1.83%
Interest of frozen subscription funds	1.71%
Returned risk settlement fund advances	0.01%

[Classification and Fund Payment of Securities Company]

In 2016, securities companies had paid RMB3,587 million to SIPF in accordance with percentages set by the CSRC, including RMB1,044.7 million from securities companies of category AA, RMB944.8 million from securities companies of category A, RMB1,170 million from securities companies of category BBB, RMB156.8 million from securities companies of category BB, RMB91.3 million from securities companies of category B, RMB57.4 million from securities companies of category CCC, RMB15.8 million from securities companies of category CC, and RMB106.2 million from securities companies of category C.

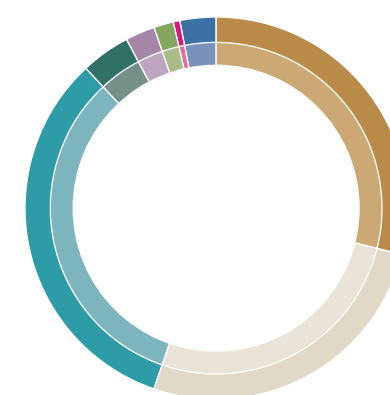


Chart 2 Classification and Fund Payment of Securities Company

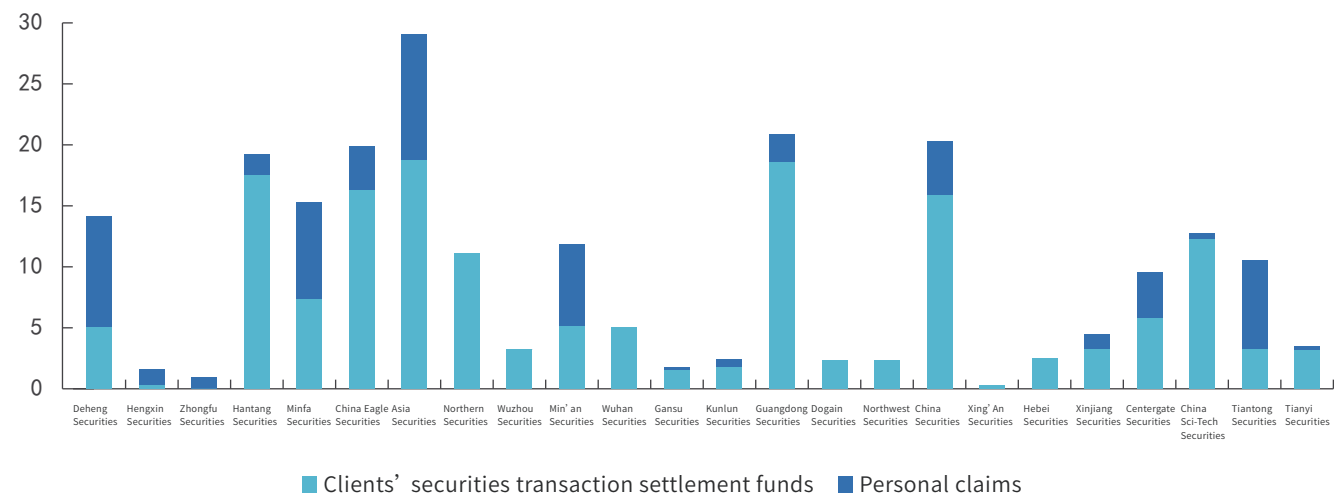
AA	29.12%
A	26.34%
BBB	32.62%
BB	4.37%
B	2.55%
CCC	1.60%
CC	0.44%
C	2.96%

¹ This Annual Report is adjusted in its forms and data pursuant to the Measures for the Administration of Investor Protection Fund (C.J.[2016] No.11) issued by the Ministry of Finance in 2016.

[Issuance of Protection Fund by SIPF]

By the end of December 2016, SIPF had issued a total of RMB22,520.5 million of protection fund to 24 disposed securities companies, including RMB16,265 million to fill the gap of clients’ securities transaction settlement funds, accounting for 72.22%, and RMB6,255.5 million to acquire personal claim, accounting for 27.78%.

Chart 3 Issuance of Protection Fund by SIPF



[Basic Information of Risk Disposition of Securities Companies]

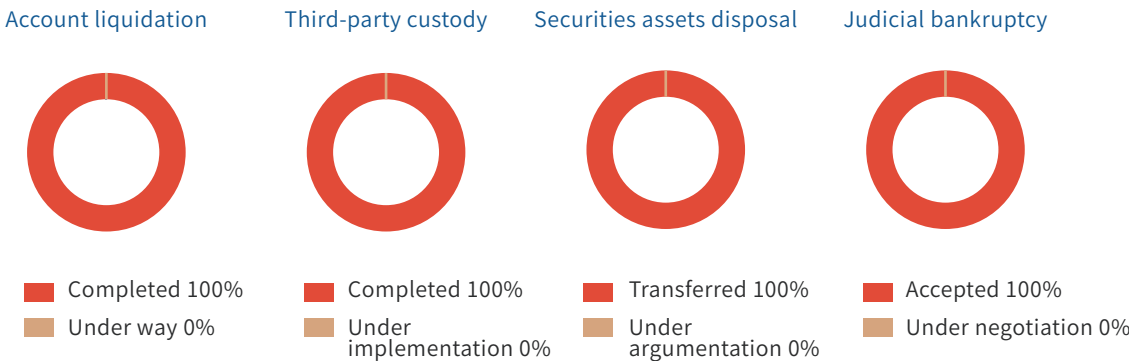
Account liquidation: by the end of December 2016, account liquidation had been finished for 24 disposed securities companies, accounting for 100% (24 companies, the same as below).

Third-party custody: by the end of December 2016, third-party custody was completed for 24 disposed securities companies, accounting for 100%, and 624 sales offices of entire disposed securities companies were 100% accessible online.

Securities assets disposal: by the end of December 2016, the transfer of securities assets had been finished for 24 disposed securities companies.

Judicial bankruptcy: by the end of December 2016, the bankruptcy cases of 24 disposed securities companies (accounting for 100%) had been accepted by competent courts.

Chart 4 Progress of Risk Disposition of Securities Companies



[The Number of Accounts & Individual Creditors Involved In Appropriated Protection Fund]

By the end of December 2016, RMB16,265 million had been used to fill the gap of clients’ transaction settlement funds (including that of dormant and single-fund accounts), covering 9,675,710 normal brokerage accounts; RMB6,255.5 million had been used to acquire personal claims, involving 61,310 personal creditors.

[Dormant Accounts and Single-fund Accounts of Disposed Securities Companies]

By the end of December 2016, 24 securities companies had reported RMB450 million and RMB66.1 million respectively for dormant accounts and single-fund accounts on the date of disposal.

[Acquisition of Clients’ Securities Transaction Settlement Funds]

By the end of December 2016, based on the account liquidation result for disposed securities companies, RMB16,528.9 million was necessary to fill the gap of clients’ transaction settlement funds, including RMB516.1 million from dormant and single-fund accounts for which no appropriation was made for the moment; SIPF had appropriated RMB16,168.8 million to fill the gap of clients’ transaction settlement funds (not including the acquisition funds for dormant and single-fund accounts), and the surplus had been returned, amounting to RMB119.6 million.

[Basic Information of Creditor’s Rights of SIPF]

By the end of December 2016, 26 securities companies had entered into bankruptcy proceedings. SIPF was the largest creditor for 20 companies and the creditor committee chairman for 19 companies.

Formally declared SIPF claims totaled RMB25,263.1 million, and pre-declared claims amount to RMB2,793.9 million.

[Payment of SIPF Claims]

By the end of December 2016, 24 securities companies had entered into bankruptcy proceedings. SIPF had received RMB4,258.8 million in cash (including RMB5.9 million managed on behalf of the MOF), stocks of 11 companies and 1 fund as well as two stocks on behalf of the MOF.

[Basic Information of Special Audits]

By the end of December 2016, formal audit reports had been issued for clients’ transaction settlement funds of 24 disposed securities companies, and 22 companies had been provided a formal audit report on personal claim.

[Basic Situation of Hotline]

From January 1 to December 31, 2016, the Hotline received a total of 131,574 investor calls from telephone and the network, and generated and processed 74,201 valid work orders, with 19,808 for suggestions, accounting for 28.41%, 33,316 for inquiries, accounting for 44.90%, and 21,077 for complaints, accounting for 26.70%.

Business Report | Table 1 Protection Fund Raising and Using

I tem	L ine	2016	2015	I tem	L ine	2016	2015
I. Re-lending from the People's Bank of China							
1. Balance of re-lending deposit at the beginning of 2016	1	-	-	3. Fund using in 2016	18	-52. 643	120. 089
2. Re-lending obtained throughout 2016	2	-	-	(1) Risk disposal expenses	19	0. 005	0. 005
3. Net interest income from re-lending deposit	3	-	-	(2) Risk monitoring expenses	20	0. 262	
4. Re-lending utilized in 2016 (minus: the amount returned)	4	-	-	(3) Entrusted fund management fee	21	0. 730	
5. Balance of re-lending at the end of 2016 (5=1+2+3-4)	5	-	-	(4) Management fee of fund management institutions	22		
				(5) Fund transaction fee	23		
				(6) Fund investments	24	-85. 000	30. 000
				(7) Interest payment for PBC re-lending	25		
II. Funds raised by SIPF							
				(8) Principal payment for PBC re-lending	26		
1. Balance of fund deposit at the beginning of 2016	6	285. 521	277. 963	(9) Other expenses	27	31. 360	90. 084
2. Funds raised in 2016	7	172. 921	127. 647	4. Fund balance at the end of 2016 (28=6+7-18)	28	511. 085	285. 521
(1) Transaction handling fees	8	36. 387	57. 924	III. SIPF bond issuance			
(2) Funds paid by securities companies	9	35. 870	32. 975	1. Balance of deposit of bond issuance at the beginning of 2016	29		
(3) Interest of frozen subscription funds	10	2. 959	19. 685	2. Revenue from bond issuance	30		
(4) Acceptance of donation	11			3. Funds used for bond issuance in 2016	31		
(5) Interest income (including fund deposit and loan interest)	12	3. 167	13. 032	4. Balance of deposit of bond issuance at the end of 2016 (32=29+30-31)	32		
(6) Fund investment yield	13	7. 463	1. 762	IV. Total fund raising and using			
(7) Compensation income from related responsible parties and redemption of bankruptcy property	14	4. 412	3. 037	1. Balance at the beginning of 2016 (33= 1+6+29)	33	285. 521	277. 963
(8) Net income from disposition of compensation assets	15		0. 447	2. Funds raised in 2016 (34= 2+3+7+30)	34	172. 921	127. 647
(9) Returned risk settlement fund advances	16	0. 005	-1. 215	3. Funds used in 2016 (35= 4+18+31)	35	-52. 643	120. 089
(10) Other incomes	17	82. 658		4. Balance at the end of 2016 (36= 33+34-35)	36	511. 085	285. 521

Note: As from December 1, 2016, pursuant to the requirements of the Measures for the Administration of Investor Protection fund, item “Risk monitoring expenses”, “Entrusted fund management fee” and “Management fee of fund management institutions” were added to “3. Fund using in 2016”; item “Bond issuance expenses”, “Payment of bond interest payable” and “Payment of bond principal payable” were combined into “Fund transaction fee”; item “Transfer and interest revenue from fund’s bond investment” under “2. Funds raised in 2016” was adjusted to “Fund investment yield”.

Business Report | Table 2 Classification and Fund Payment of Securities Company

Classification result		Number of securities companies		Proportion of payment (%)		Accumulative amount paid in 2016	
A	AAA						
	AA		16	0. 75%		10. 447	
	A		34	1. 00%		9. 448	
B	BBB		52	1. 50%		11. 700	
	BB		9	1. 75%		1. 568	
	B		4	2. 00%		0. 913	
C	CCC		6	2. 50%		0. 574	
	CC		1	2. 75%		0. 158	
	C		3	3. 00%		1. 062	
D	D						
Total		125				35. 870	

- Notes: 1. Securities companies that have not received the result of classification are not included.
2. Classification results refer to those that have been officially confirmed by the CSRC.
3. Proportion of payment refers to the proportion that was approved by the CSRC for SIPF to pay the funds to SIPF based on its operation income.

Business Report

Table 3 Issuance of Protection Fund by SIPF

S/N	Company disposed	Issuance of the Protection Fund by PBC re-lending		Issuance of the Protection Fund by the funds raised from the market	
		Clients' securities transaction settlement funds	Personal claims	Clients' securities transaction settlement funds	Personal claims
1	Deheng Securities	5. 075	7. 319		1. 732
2	Hengxin Securities	0. 278	0. 979	0. 033	0. 260
3	Zhongfu Securities		0. 825		0. 106
4	Hantang Securities	17. 520	1. 349		0. 389
5	Minfa Securities	7. 008	8. 021	0. 298	0. 0002
6	China Eagle Securities	15. 983	2. 727	0. 275	0. 916
7	Asia Securities	17. 500	10. 088	1. 252	0. 242
8	Northern Securities	11. 070	0. 0004		0. 068
9	Wuzhou Securities	3. 068		0. 179	
10	Min' an Securities	4. 950	6. 603	0. 207	0. 087
11	Wuhan Securities	4. 908	0. 045	0. 106	
12	Gansu Securities	1. 518	0. 234	0. 004	0. 022
13	Kunlun Securities	1. 749	0. 688		
14	Guangdong Securities	17. 897	2. 289	0. 671	0. 010
15	Dogain Securities	2. 290	0. 009	0. 029	0. 010
16	Northwest Securities	2. 344			
17	China Securities	14. 428	3. 774	1. 453	0. 630
18	Xing' An Securities	0. 292	0. 013	0. 009	
19	Hebei Securities	2. 433	0. 050	0. 048	
20	Xinjiang Securities	2. 929	1. 295	0. 288	
21	Centergate Securities	5. 250	3. 746	0. 570	
22	China Sci-Tech Securities	11. 848	0. 459	0. 441	0. 019
23	Tiantong Securities	2. 714	7. 209	0. 550	0. 037
24	Tianyi Securities	3. 185	0. 304		0. 0002
	TOTAL	156. 237	58. 027	6. 413	4. 528

Note: SIPF has utilized funds raised from the market to acquire personal claims of companies disposed and fill the gap of clients' securities transaction settlement funds since 3-July-08.

Business Report

Table 4 Basic Information of Risk Disposition of Securities Companies

S/N	Company disposed	Time of disposition	Leading institution	Number of business offices	Trustee company	Administrative liquidation institution (Liquidation group)	Special audit institution	Account liquidation	Third-party custody		Securities assets disposal		Judicial bankruptcy			Remarks
									Status	Number of online company	Status	Transferee	Status	Competent court	Announcement date	
1	Deheng Securities	3-Sep-04	Shanghai Commissioner Office	14	Huarong Company	Huarong Company	GAOPA	Completed	Completed	14	Transferred	Huarong Securities	Accepted	Shanghai No.1 Intermediate People's Court	9-Nov-07	
2	Hengxin Securities	3-Sep-04	CSRC Hunan Office	7	Huarong Company	Huarong Company	GAOPA	Completed	Completed	7	Transferred	Huarong Securities	Accepted	Changsha Intermediate People's Court	21-Aug-07	
3	Zhongfu Securities	3-Sep-04	Shanghai Commissioner Office	13	Shanghai Securities	Gaopeng & Partners	Nanfeng Mirhe Public Accounting Firm	Completed	Completed	13	Transferred	Shanghai Securities	Accepted	Shanghai No.2 Intermediate People's Court	17-Sep-07	Capital Airport withdraws from reorganization
4	Hantang Securities	3-Sep-04	CSRC Shenzhen Office	22	CINDA	CINDA	Xiamen Tianjian Huatian Accountants' Firm	Completed	Completed	22	Transferred	CINDA Securities	Accepted	Shenzhen Intermediate People's Court	7-Sep-07	
5	Minfa Securities	16-Oct-04	CSRC Fujian Office	29	Orient Company	Orient Company	Xiamen Tianjian Huatian Accountants' Firm	Completed	Completed	29	Transferred	Dongxing Securities	Accepted	Fuzhou Intermediate People's Court	18-Jul-08	
6	China Eagle Securities	14-Jan-05	Shenzhen Commissioner Office	31	Changjiang Securities	China Audit Asia Pacific CPA Co., LLP	GAOPA	Completed	Completed	31	Transferred	Changjiang Securities	Accepted	Shenzhen Intermediate People's Court	24-Jan-06	
7	Asia Securities	29-Apr-05	Shanghai Commissioner Office	48	Huatai Securities	Beijing JinCheng TongDa & Neal Law Firm	GAOPA	Completed	Completed	48	Transferred	Huatai Securities	Accepted	Shanghai No.2 Intermediate People's Court	31-May-07	
8	Northern Securities	27-May-05	CSRC Shanghai Office	20	Orient Securities	Shanghai Lixin Changliang Certified Public Accountants	GAOPA	Completed	Completed	20	Transferred	Orient Securities	Accepted	Shanghai No.2 Intermediate People's Court	12-Mar-07	
9	Wuzhou Securities	10-Jun-05	CSRC Henan Office	7	Donghai Securities	Beijing Zhongxingyu CPA	Beijing Zhongxingyu CPA	Completed	Completed	7	Transferred	Donghai Securities	Accepted	Luoyang Intermediate People's Court	4-Sep-06	
10	Min'an Securities	10-Jun-05	CSRC Guangdong Office	17	Guosen Securities	Beijing King & Wood Law Firm	Beijing Zhongxingyu CPA	Completed	Completed	17	Transferred	Guosen Securities	Accepted	Guangzhou Intermediate People's Court	30-Nov-07	
11	Wuhan Securities	5-Aug-05	CSRC Hubei Office	25	Guangfa Securities	Beijing Forever Law Firm	Wuhan Zhonghuan CPA	Completed	Completed	25	Transferred	Guangfa Securities	Accepted	Wuhan Intermediate People's Court	11-Jan-08	
12	Gansu Securities	26-Aug-05	CSRC Gansu Office	9	Haitong Securities	Beijing Lauseed & Titan Law Firm	Beiqitte Touche Huatai CPA Ltd.	Completed	Completed	9	Transferred	Haitong Securities	Accepted	Lanzhou Intermediate People's Court	7-Dec-07	
13	Kunlun Securities	21-Oct-05	CSRC Qinghai Office	5	Everbright Securities	Guantao Law Firm	Shenzhen Dahua Tiancheng CPA	Completed	Completed	5	Transferred	Everbright Securities	Accepted	Xining Intermediate People's Court	11-Nov-06	
14	Guangdong Securities	4-Nov-05	Shenzhen Commissioner Office	58	Essence Securities	China Audit Asia Pacific CPA Co., LLP	GAOPA	Completed	Completed	58	Transferred	Essence Securities	Accepted	Guangzhou Intermediate People's Court	2-Jan-08	
15	Dogain Securities	25-Nov-05	CSRC Beijing Office	13	Guoyuan Securities	Lantai Partners	Beijing Xinghua CPA	Completed	Completed	13	Transferred	Guoyuan Securities	Accepted	Beijing No.1 Intermediate People's Court	15-Sep-07	
16	Northwest Securities	9-Dec-05	CSRC Ningxia Office	20	Nanjing Securities	JunZeJun Law Office	Xiamen Tianjian Huatian Accountants' Firm	Completed	Completed	20	Transferred	Nanjing Securities	Accepted	Yinchuan Intermediate People's Court	11-Jan-07	
17	China Securities	16-Dec-05	Beijing Municipal Government	87	N/A	CINDA	GAOPA	Completed	Completed	87	Transferred	CTIC Securities	Accepted	Beijing No.2 Intermediate People's Court	31-Jul-08	
18	Xing'an Securities	30-Dec-05	Shanghai Commissioner Office	23	Haitong Securities	Beijing Dacheng Law Firm	Xiamen Tianjian Huatian Accountants' Firm	Completed	Completed	23	Transferred	Haitong Securities	Accepted	Harbin Intermediate People's Court	18-Oct-07	
19	Hebei Securities	13-Jan-06	CSRC Hebei Office	38	Guangfa Securities	Boss & Young Law Firm	Zhongtiao Huazheng CPA Co., Ltd.	Completed	Completed	38	Transferred	Guangfa Securities, Caida Securities	Accepted	Shijiazhuang Intermediate People's Court	24-Jul-07	
20	Xinjiang Securities	17-Feb-06	CSRC Xinjiang Office	24	Hongyuan Securities	Huazheng CPA Co., Ltd.	Huazheng CPA Co., Ltd.	Completed	Completed	24	Transferred	Hongyuan Securities	Accepted	Urumchi Intermediate People's Court	26-Feb-08	

Business Report | Table 4 Basic Information of Risk Disposition of Securities Companies

S/N	Company disposed	Time of disposition	Leading institution	Number of business offices	Trustee company	Administrative liquidation institution (Liquidation group)	Special audit institution	Account liquidation	Third-party custody		Securities asset disposal		Judicial bankruptcy		Remarks	
									Status	Number of online company	Status	Transferee	Status	Competent court		Announcement date
21	Centergate Securities	24-Feb-06	Shenzhen Commissioner Office	14	Essence Securities	Beijing JinCheng TongDa & Neal Law Firm	Beijing Xinghua CPA	Completed	Completed	14	Transferred	Essence Securities	Accepted	Beijing No.1 Intermediate People's Court	7-Sep-07	
22	ChinaSci-Tech Securities	24-Feb-06	Shenzhen Commissioner Office	23	Essence Securities	Beijing Zhongxingyu CPA	Beijing Zhongxingyu CPA	Completed	Completed	23	Transferred	Essence Securities	Accepted	Beijing No.2 Intermediate People's Court	7-Sep-07	
23	Trantong Securities	17-Mar-06	CSRC Shandong Office	57	Qilu Securities	Shandong Provincial Government	Beijing Jincdu CPA Co., Ltd.	Completed	Completed	57	Transferred	Qilu Securities	Accepted	Jinan Intermediate People's Court	15-Jan-08	
24	Tianyi Securities	7-Jul-06	CSRC Ningbo Office	20	Everbright Securities	Beijing Zhongwen Law Firm	Shanghai Lixin Changsheng CPA Co., Ltd.	Completed	Completed	20	Transferred	Everbright Securities	Accepted	Ningbo Intermediate People's Court	30-Sep-07	
Others	China Southern Securities	2-Jan-04	CSRC Shenzhen Municipal Government	74	Administrative takeover group	Shenzhen Municipal Government	Deloitte Touche Tohmatsu CPA Ltd.	Completed	Completed	74	Transferred	China Investment Securities	Accepted	Shenzhen Intermediate People's Court	16-Aug-06	
	Liaoning Securities	22-Oct-04	PBC	21	CINDA	N/A	-	Completed	Completed	21	Transferred	CINDA Securities	-	-	-	Compromise
	Capital-Bridge Securities	24-Mar-06	CSRC Shaanxi Office	12	Western Securities	Beijing King & Wood Law Firm	-	Completed	Completed	12	Transferred	Western Securities	Accepted	Xi'an Intermediate People's Court	5-Apr-07	No insufficiency
	Daton Securities	30-Apr-06	CSRC Dept. of Fund and intermediary Supervision	19	Bankruptcy & Reorganization Group	N/A	-	Completed	Completed	19	-	-	-	Dalian Intermediate People's Court	30-Apr-06	Bankruptcy & Reorganization
	First Securities	2-Jun-06	CSRC Guangdong Office	16	Guangfa Securities	N/A	-	Completed	Completed	16	Transferred	Guangfa Securities	-	-	-	Converted into an industrial corporation
	Jutian Securities	13-Oct-06	Shenzhen Commissioner Office	16	Merchants Securities	Beijing Hanhua Law Firm	CACPA	Completed	Completed	16	Transferred	Merchants Securities	-	-	-	Compromise
	CIFCO Securities	24-Nov-06	CSRC Jiangsu Provincial Government	9	Hengtai Securities	N/A	-	Completed	Completed	9	Transferred	Xinbai Securities	-	-	-	Converted into an industrial corporation

Note: As for “Others”, PBC re-lending will be directly provided to China Southern Securities and Liaoning Securities, with no cost to be borne by SIFP; no re-lending is provided for Capital-Bridge Securities, Daton Securities, First Securities, Jutian Securities and CIFCO Securities.

Business Report | Table 5 The Number of Accounts & Individual Creditors Involved in Appropriated Protection Fund

S/N	Company name	Number of general accounts	Number of normal brokerage accounts	Number of dormant & single-fund accounts	Gap filled for clients' transaction settlement funds	Number of clients with acquired personal claim	Appropriation for acquisition of personal claim (part borne by central government)
1	Deheng Securities	172, 719	168, 165	49, 329	5, 075	1, 214	9, 050
2	Hengxin Securities	65, 622	64, 724	17, 129	0, 311	76	1, 239
3	Zhongfu Securities	66, 501	66, 087	-	-	53	0, 932
4	Hantang Securities	320, 538	301, 378	98, 366	17, 520	365	1, 739
5	Minfa Securities	523, 500	516, 879	175, 011	7, 307	7, 579	8, 022
6	China Eagle Securities	402, 481	400, 941	132, 173	16, 258	7, 585	3, 643
7	Asia Securities	651, 589	648, 509	202, 852	18, 751	15, 100	10, 329
8	Northern Securities	227, 609	223, 590	38, 517	11, 070	12	0, 068
9	Wuzhou Securities	145, 441	142, 753	46, 504	3, 247	-	-
10	Min'an Securities	163, 873	161, 945	71, 895	5, 157	5, 571	6, 689
11	Wuhan Securities	421, 026	406, 929	175, 448	5, 013	34	0, 045
12	Gansu Securities	105, 995	104, 825	45, 995	1, 521	756	0, 257
13	Kunlun Securities	134, 635	133, 390	73, 155	1, 749	779	0, 688
14	Guangdong Securities	940, 358	933, 636	376, 061	18, 569	373	2, 299
15	Doga in Securities	137, 684	121, 851	21, 151	2, 318	3	0, 019
16	Northwest Securities	151, 495	147, 840	34, 331	2, 344	-	-
17	China Securities	1, 910, 170	1, 898, 444	460, 722	15, 881	5, 727	4, 404
18	Xing'An Securities	269, 931	269, 426	82, 447	0, 301	2	0, 013
19	Hebei Securities	678, 588	675, 368	117, 417	2, 481	10	0, 050
20	Xinjiang Securities	298, 112	297, 249	75, 371	3, 218	3, 277	1, 295
21	Centergate Securities	129, 301	128, 076	35, 685	5, 821	3, 375	3, 746
22	China Sci-Tech Securities	362, 209	360, 678	168, 209	12, 289	788	0, 478
23	Tiantong Securities	1, 392, 014	1, 308, 065	343, 791	3, 263	8, 581	7, 246
24	Tianyi Securities	199, 543	194, 964	75, 196	3, 185	53	0, 305
TOTAL		9, 870, 934	9, 675, 712	2, 916, 755	162, 650	61, 313	62, 555

Notes: 1. 1. Data listed above are collected on the basis of account liquidation reports of securities companies.
2. There is no need for Zhongfu Securities to apply for acquisition of the shortfall of client's transaction settlement funds, and no need for Wuzhou Securities and Northwest Securities to apply for the acquisition of personal claims.

Business Report | Table 6 Dormant Accounts and Single-fund Accounts of Disposed Securities Companies

Unit: RMB10,000

S/N	Company name	Dormant account balance on the date of disposition	Single-fund account balance on the date of disposition	Acquisition cost payable as of the acceptance of bankruptcy application
1	Deheng Securities	1, 275. 40	334. 12	1, 652. 82
2	Hengxin Securities	220. 49	15. 31	241. 40
3	Zhongfu Securities	—	—	—
4	Hantang Securities	1, 513. 11	171. 95	1, 724. 03
5	Minfa Securities	2, 459. 72	306. 50	2, 859. 47
6	China Eagle Securities	4, 418. 87	551. 72	5, 012. 72
7	Asia Securities	2, 284. 47	313. 10	2, 653. 87
8	Northern Securities	883. 20	185. 33	1, 080. 44
9	Wuzhou Securities	2, 074. 19	6. 68	2, 113. 97
10	Min’ an Securities	1, 057. 96	31. 98	1, 118. 97
11	Wuhan Securities	1, 859. 76	724. 45	2, 632. 02
12	Gansu Securities	448. 57	76. 62	534. 71
13	Kunlun Securities	964. 61	150. 44	1, 118. 82
14	Guangdong Securities	5, 342. 39	721. 09	6, 167. 92
15	Dogain Securities	443. 83	118. 01	569. 61
16	Northwest Securities	288. 79	60. 02	352. 11
17	China Securities	5, 435. 98	588. 73	6, 170. 63
18	Xing’ An Securities	1, 356. 37	157. 36	1, 538. 14
19	Hebei Securities	1, 569. 96	121. 37	1, 863. 10
20	Xinjiang Securities	2, 357. 02	110. 68	2, 497. 49
21	Centergate Securities	902. 29	82. 49	997. 25
22	China Sci-Tech Securities	2, 522. 18	180. 29	2, 736. 41
23	Tiantong Securities	4, 621. 10	1, 017. 96	5, 742. 67
24	Tianyi Securities	702. 02	585. 88	1, 300. 29
TOTAL		45, 002. 27	6, 612. 08	52, 678. 86

Notes: 1. Zhongfu Securities has no gap for clients’ securities transaction settlement funds to be acquired by the government, and data of its dormant & single-fund accounts is not available.
2. For Hantang Securities, acquisition fund related to dormant & single-fund accounts has not yet been returned, and the amount depends on the actual fund returned.

Business Report | Table 7 Acquisition of Clients’ Securities Transaction Settlement Funds

S/N	Company name	Amount approved by the State Council	Gap of acquisition funds	Amount appropriated	Amount returned	Balance of dormant & single-fund accounts	Amount not yet appropriated after excluding dormant & single-fund accounts	Remarks
			1	2	3	4	5=1-4- (2-3)	
1	Deheng Securities	7. 440	5. 144	5. 075		0. 161	-0. 092	Refund is subject to the examination of competent authorities
2	Hengxin Securities	0. 000	0. 326	0. 302		0. 024	0. 000	
3	Zhongfu Securities	1. 660	0. 000	0. 000		0. 000	0. 000	
4	Hantang Securities	24. 310	17. 520	17. 520		0. 169	-0. 169	Refund is subject to the examination of competent authorities
5	Minfa Securities	11. 350	7. 555	7. 278		0. 277	0. 000	
6	China Eagle Securities	18. 160	16. 005	15. 983	0. 475	0. 497	0. 000	
7	Asia Securities	23. 260	19. 011	18. 751		0. 260	0. 000	
8	Northern Securities	11. 480	11. 142	11. 070	0. 035	0. 107	0. 000	
9	Wuzhou Securities	4. 130	3. 073	3. 068	0. 203	0. 208	0. 000	
10	Min’ an Securities	5. 760	5. 134	5. 121	0. 096	0. 109	0. 000	
11	Wuhan Securities	5. 806	5. 236	4. 977		0. 258	0. 000	
12	Gansu Securities	0. 660	1. 574	1. 521		0. 053	0. 000	
13	Kunlun Securities	1. 740	1. 762	1. 749	0. 098	0. 112	0. 000	
14	Guangdong Securities	18. 730	19. 063	18. 457		0. 606	0. 000	
15	Dogain Securities	1. 840	2. 374	2. 318		0. 056	0. 000	
16	Northwest Securities	2. 560	2. 264	2. 344	0. 012	0. 035	-0. 115	
17	China Securities	16. 080	16. 404	15. 802		0. 602	0. 000	
18	Xing’ An Securities	2. 550	0. 453	0. 301		0. 151	0. 000	
19	Hebei Securities	3. 690	2. 354	2. 433	0. 249	0. 169	0. 000	
20	Xinjiang Securities	3. 970	3. 465	3. 218		0. 247	0. 000	
21	Centergate Securities	6. 840	5. 908	5. 809		0. 098	0. 000	
22	China Sci-Tech Securities	16. 220	12. 493	12. 223		0. 270	0. 000	
23	Tiantong Securities	5. 030	3. 747	3. 183		0. 564	0. 000	
24	Tianyi Securities	5. 030	3. 285	3. 185	0. 029	0. 129	0. 000	
TOTAL		198. 296	165. 289	161. 688	1. 196	5. 161	-0. 375	

Notes: 1. For companies other than those with full appropriation, “gap of acquisition funds” refers to data of the previous period, and since the adjustment gap is unreported, the accurate amount is uncertain until the final audit report is issued.
2. Since “gap of acquisition funds” has not yet been determined, “amount not yet appropriated after excluding dormant & single-fund accounts” is just an estimate.
3. “Amount appropriated” does not include the acquisition funds appropriated for dormant & single-fund accounts.
4. “Amount returned” refers to the surplus of acquisition funds returned to SIPF by disposed securities companies (the principal).
5. For companies other than those with full appropriation, “amount not yet appropriated after excluding dormant & single-fund accounts” does not include the interest for the gap of clients’ securities transaction settlement funds.
6. The negative “amount not yet appropriated after excluding dormant & single-fund accounts” is mainly due to the fact that acquisition funds had been appropriated to these companies prior to the promulgation of the policy in respect of dormant & single-fund accounts, which were not excluded.

S/N	Bankrupted company	Bankruptcy court	Bankruptcy administrator	Amount adjusted by the State Council	Officially declared claim	Predeclared claim	Largest creditor or not	Creditor committee chairman or not	Remarks
1	Deheng Securities	Shanghai No.1 Intermediate People's Court	7 units, including Huorong Shanghai Office, Shanghai Commissioner Office	21.62	16.100	6.076	Y	N	
2	Hengxin Securities	Changsha Intermediate People's Court	Huarong Changsha Office	2.09	1.718	2.176	N	N	
3	Zhongfu Securities	Shanghai No.2 Intermediate People's Court	Gaoping & Partners	3.75	1.045	-	N	Y	The termination of the subject is requested, and no withdrawal will be made for the remaining SIPF pre-declared claims.
4	Hantang Securities	Shenzhen Intermediate People's Court	Zhonglun Law Firm	27.25	20.392	0.172	Y	Y	The termination of the subject is requested, and no withdrawal will be made for the remaining SIPF pre-declared claims.
5	Minfa Securities	Fuzhou Intermediate People's Court	China Orient AMC, Zhonglun Law Firm, Lixin CPA Co., Ltd.	21.04	14.922	-	Y	Y	The termination of the subject is requested, and no withdrawal will be made for the remaining SIPF pre-declared claims.
6	China Eagle Securities	Shenzhen Intermediate People's Court	Zhonglun Law Firm	22.21	20.249	-	Y	Y	The termination of the subject is requested, and no withdrawal will be made for the remaining SIPF pre-declared claims.
7	Asia Securities	Shanghai No.2 Intermediate People's Court	Beijing Jincheng Tongda & Neal Law Firm	39.14	30.797	8.471	Y	Y	
8	Northern Securities	Shanghai Intermediate People's Court	Shanghai Lixin Changjiang Certified Public Accountants	13.03	11.533	-	Y	Y	
9	Wuzhou Securities	Luoyang Intermediate People's Court	Beijing Haitun Law Firm	4.23	3.120	-	Y	Y	
10	Min'an Securities	Guangzhou Intermediate People's Court	Beijing King & Wood Law Firm	6.66	12.895	1.901	Y	Y	The termination of the subject is requested, and no withdrawal will be made for the remaining SIPF pre-declared claims.
11	Wuhan Securities	Wuhan Intermediate People's Court	Beijing Fomer Law Firm, JunZeJun Law Offices, BDO International Wuhan Zhonghuan CPA	5.89	5.062	0.824	N	Y	
12	Gansu Securities	Lanzhou Intermediate People's Court	Gansu Pacific Law Firm	0.89	1.819	0.101	N	N	The termination is judged by the court.
13	Kunlun Securities	Xining Intermediate People's Court	Guantao Law Firm	2.60	2.406	0.098	Y	Y	
14	Guangdong Securities	Guangzhou Intermediate People's Court	China Audit Asia Pacific CPA Co., LLP	21.73	21.443	0.100	Y	Y	
15	Dogain Securities	Beijing No.1 Intermediate People's Court	Lantai Partners	1.90	2.349	-	Y	Y	The termination of the subject is requested, and no withdrawal will be made for the remaining SIPF pre-declared claims.
16	Northwest Securities	Yinchuan Intermediate People's Court	JunZeJun Law Offices, Fang He Yuan Law Firm	2.69	2.241	0.333	Y	Y	
17	China Securities	Beijing No.2 Intermediate People's Court	CINDA AMC	19.68	21.217	0.848	Y	Y	
18	Xing'an Securities	Harbin Intermediate People's Court	Beijing Dacheng Law Firm	2.79	0.319	-	N	N	Full repayment is made and the administrator will not withdraw for the remaining SIPF pre-declared claims.
19	Hebei Securities	Shijiazhuang Intermediate People's Court	Beijing Wei Heng Law Firm	3.70	2.242	-	Y	Y	Full repayment is made and the administrator will not withdraw for the remaining SIPF pre-declared claims.
20	Xinjiang Securities	Urumchi Intermediate People's Court	Beijing Jincheng Tongda & Neal Law Firm	5.71	4.555	-	Y	Y	The termination of the subject is requested, and no withdrawal will be made for the remaining SIPF pre-declared claims.
21	Centergate Securities	Beijing No.1 Intermediate People's Court	Beijing Jincheng Tongda & Neal Law Firm	12.19	9.972	2.088	Y	Y	
22	China Sci-Tech Securities	Beijing No.2 Intermediate People's Court	ShineWing CPA	17.18	12.998	0.116	Y	Y	
23	Tiantong Securities	Jinan Intermediate People's Court	Tianduo Law Firm	16.22	11.151	0.493	Y	N	The termination is judged by the court.
24	Tianyi Securities	Ningbo Intermediate People's Court	Beijing Zhongwen Law Firm, Kexin CPA	7.92	3.511	4.142	Y	N	
Others	China Southern Securities	Shenzhen Intermediate People's Court	Beijing King & Wood Law Firm, etc.	102.24	15.746	-	Y	Y	RMB16.6 million of principal and interest is declared on behalf of the MOF. The termination is judged by the court.
	Xinhua Securities	Changchun Intermediate People's Court	Beijing King & Wood Law Firm, Jilin Zhengli Law Firm	3.00	2.829	-	N	N	Act as a creditor as authorized by the CSRC
TOTAL					252.631	27.939			

Note: For China Southern Securities, the amount approved by the State Council includes RMB1,500 million grant from the State treasury.

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Table 9 Payment of SIPF Claims

S/N	Bankrupted Company	Confirmed amount of claims	Estimated payment		Claims already paid					Remarks
			Minimum	Maximum	Cash paid	Stocks paid			Actual repayment ratio	
						Name	Number	Value		
1	Deheng Securities	16.100	0.41%	0.57%						
2	Hengxin Securities	1.718	1.66%	2.53%	0.022				1.41%	
3	Zhongfu Securities	1.045	29.92%	34.89%	0.307				29.42%	
4	Hantang Securities	20.091	43.10%	53.00%	0.166	Stock 1	18,609,302	1.727	50.16%	Confirmed amount of claims include the claims transferred from SIPF
						Stock 2	9,408,047	1.472		
						Stock 3	6,516,319	1.028		
						Stock 4	9,044,917	1.901		
						Stock 5	3,428,113	0.533		
5	Minfa Securities	14.922	63.01%	65.00%	3.584	Stock 1	14,008,381	3.506	67.01%	Confirmed amount of claims include the claims transferred from SIPF
				Stock 2	7,559,899	2.695				
6	China Eagle Securities	20.249	26.51%	30.00%	5.368				26.51%	
7	Asia Securities	30.797	12.00%	15.00%	2.446				8.00%	
8	Northern Securities	11.533	10.00%	15.00%						
9	Wuzhou Securities	3.120	3.71%	18.16%	0.125				4.24%	
10	Min'an Securities	12.895	12.61%	15.00%	1.833				14.21%	
11	Wuhan Securities	5.062	7.70%	13.00%	0.611				15.00%	Confirmed amount of claims include the claims transferred from SIPF
12	Gansu Securities	1.819	3.63%	5.59%	0.087				4.80%	
13	Kunlun Securities	2.406	2.32%	8.87%	0.115				4.77%	
14	Guangdong Securities	21.443	15.05%	20.00%	4.037				18.83%	
15	Dogain Securities	2.349	3.56%	3.56%	0.084				3.56%	
16	Northwest Securities	2.241	23.30%	35.00%	0.322	Stock 1	2,708,541	0.290	28.86%	
						Stock 2	285,549	0.021		
						Fund	1,186,400	0.014		
17	China Securities	21.217	20.00%	33.23%	4.456				21.00%	
18	Xing'an Securities	0.319	100.00%	100.00%	0.315				100.00%	Paid off completely with acquisition and declared interest appropriated by SIPF
19	Hebei Securities	2.242	100.00%	100.00%	2.236				100.00%	
20	Xinjiang Securities	4.555	13.50%	23.00%	0.988				21.52%	
21	Centergate Securities	9.972	15.55%	32.95%	3.091				31.00%	
22	China Sci-Tech Securities	12.998	15.08%	25.00%	3.209				24.69%	
23	Tiantong Securities	11.071	12.31%	21.79%	1.873				16.80%	
24	Tianyi Securities	3.511	10.00%	50.00%	1.554				44.28%	
Others	China Southern Securities	15.580	62.00%	75.00%	5.660	Stock 1	8,474,964	2.048	72.40%	Assets managed on behalf of the MOF
					Stock 2	32,625,414	3.572			
		0.166		0.059	Stock 1	90,406	0.022			
					Stock 2	348,032	0.038			
	Xinhua Securities	2.829	3.00%	8.00%	0.039				1.37%	
	TOTAL	252.250			42.588			18.867		

Notes: 1. The value of stocks paid is equal to the per-share price set by the court in the distribution plan multiplied by the number of stocks to be distributed.
2. Estimates of SIPF claims had been adjusted on the basis of the actual distribution, so that data provided above is more consistent with the actuality of securities companies concerned.

Business Report | Table 10 Basic Information of Special Audits

S/N	Company disposed	Special audit institution (Public accounting firm)	Issuance of formal audit report			
			Clients' securities transaction settlement funds	Date of audit report	Personal claim	Date of audit report
1	Deheng Securities	China Audit Asia Pacific Certified Public Accountants Co., LLP	Formal report already issued	8-Sep-05	Formal report already issued	2-Jun-10
2	Hengxin Securities	China Audit Asia Pacific Certified Public Accountants Co., LLP	Formal report already issued	24-Apr-07	Formal report already issued	11-Nov-07
3	Zhongfu Securities	Shenzhen Nanfang Minhe Public Accounting Firm	Formal report already issued	8-Aug-07	Formal report already issued	29-Oct-06
4	Hantang Securities	Xiamen Tianjian Huatian Accountants' Firm	Formal report already issued	10-Jun-05	Formal report already issued	10-Jun-05
5	Minfa Securities	Xiamen Tianjian Huatian Accountants' Firm	Formal report already issued	23-Sep-05	Formal report already issued	20-Dec-04
6	China Eagle Securities	China Audit Asia Pacific Certified Public Accountants Co., LLP	Formal report already issued	30-Jun-05	Formal report already issued	1-Aug-08
7	Asia Securities	China Audit Asia Pacific Certified Public Accountants Co., LLP	Formal report already issued	10-Oct-05	Formal report already issued	28-Dec-08
8	Northern Securities	China Audit Asia Pacific Certified Public Accountants Co., LLP	Formal report already issued	28-Aug-05	Formal report already issued	15-Dec-06
9	Wuzhou Securities	Beijing Zhongxingyu Certified Public Accountants	Formal report already issued	27-Sep-05	(No personal claim)	-
10	Min'an Securities	Beijing Zhongxingyu Certified Public Accountants	Formal report already issued	6-Aug-07	Formal report already issued	27-Aug-07
11	Wuhan Securities	BDO International Wuhan Zhonghuan Certified Public Accountants	Formal report already issued	10-Jan-06	Formal report already issued	20-Apr-06
12	Gansu Securities	Deloitte Touche Tohmatsu CPA Ltd	Formal report already issued	16-Jan-06	Formal report already issued	21-Mar-06
13	Kunlun Securities	Shenzhen Dahua Tiancheng Certified Public Accountants	Formal report already issued	28-Mar-06	Formal report already issued	28-May-06 and 8-Dec-06
14	Guangdong Securities	China Audit Asia Pacific Certified Public Accountants Co., LLP	Formal report already issued	25-Dec-06	Formal report already issued	6-May-08
15	Dogain Securities	Beijing Xing Hua Certified Public Accountants	Formal report already issued	5-Feb-07	Formal report already issued	31-Jul-06
16	Northwest Securities	Xiamen Tianjian Huatian Accountants' Firm	Formal report already issued	20-Mar-06	(No personal claim)	-
17	China Securities	China Audit Asia Pacific Certified Public Accountants Co., LLP	Formal report already issued	30-Apr-07	Formal report already issued	18-Oct-08
18	Xing'an Securities	Xiamen Tianjian Huatian Accountants' Firm	Formal report already issued	16-Apr-07	Formal report already issued	29-May-07
19	Hebei Securities	Zhongtian Huazheng Certified Public Accountants Co., Ltd.	Formal report already issued	25-May-06	Formal report already issued	5-Mar-08
20	Xinjiang Securities	Huazheng CPA Co., Ltd.	Formal report already issued	31-Jan-07	Formal report already issued	30-Sep-06
21	Centergate Securities	Beijing Xing Hua Certified Public Accountants	Formal report already issued	5-Feb-07	Formal report already issued	27-Sep-07
22	China Sci-Tech Securities	Beijing Zhongxingyu Certified Public Accountants	Formal report already issued	31-Jan-07	Formal report already issued	29-Nov-06
23	Tiantong Securities	Beijing Jingdu Certified Public Accountants Co., Ltd.	Formal report already issued	29-Mar-07	Formal report already issued	20-Jun-07
24	Tianyi Securities	Shanghai Lixin Changjiang Certified Public Accountants Co., Ltd.	Formal report already issued	1-Feb-07	Formal report already issued	1-Feb-07

Notes: 1. Date of audit report refers to the signed date on the audit report.
2. The date for some audit reports refers to the date for the audit of the latest applications.

Business Report | Table 11 List of Disposed Securities Companies

S/N	Short name	Full name
1	China Southern Securities	China Southern Securities Co., Ltd.
2	Deheng Securities	Deheng Securities Co., Ltd.
3	Hengxin Securities	Hengxin Securities Co., Ltd.
4	Zhongfu Securities	Zhongfu Securities Co., Ltd.
5	Hantang Securities	Hantang Securities Co., Ltd.
6	Minfa Securities	Minfa Securities Co., Ltd.
7	China Eagle Securities	China Eagle Securities Co., Ltd.
8	Asia Securities	Asia Securities Co., Ltd.
9	Northern Securities	Northern Securities Co., Ltd.
10	Wuzhou Securities	Wuzhou Securities Co., Ltd.
11	Min'an Securities	Min'an Securities Co., Ltd.
12	Wuhan Securities	Wuhan Securities Co., Ltd.
13	Gansu Securities	Gansu Securities Co., Ltd.
14	Kunlun Securities	Kunlun Securities Co., Ltd.
15	Guangdong Securities	Guangdong Securities Co., Ltd.
16	Dogain Securities	Dogain Securities Brokerage Co., Ltd.
17	Northwest Securities	Northwest Securities Co., Ltd.
18	China Securities	China Securities Co., Ltd.
19	Xing'an Securities	Xing'an Securities Co., Ltd.
20	Hebei Securities	Hebei Securities Co., Ltd.
21	Xinjiang Securities	Xinjiang Securities Co., Ltd.
22	Centergate Securities	Centergate Securities Co., Ltd.
23	China Sci-tech Securities	China Sci-tech Securities Co., Ltd.
24	Tiantong Securities	Tiantong Securities Co., Ltd.
25	Tianyi Securities	Tianyi Securities Co., Ltd.
26	Jutian Securities	Jutian Securities Co., Ltd.
27	Liaoning Securities	Liaoning Securities Co., Ltd.
28	Capital-Bridge Securities	Capital-Bridge Securities Co., Ltd.
29	Daton Securities	Daton Securities Co., Ltd.
30	First Securities	First Securities Co., Ltd.
31	CIFCO Securities	CIFCO Securities Brokerage Co., Ltd.
32	Xinhua Securities	Xinhua Securities Co., Ltd.

Business Report | Table 12 CSRC 12386 Hotline Data Summary

Subtable 1: Aggregate Data

S/N	Category	Amount	Proportion
1	Incoming calls	61,540	46.77%
2	Outgoing calls	16,743	12.73%
3	Valid online work orders	17,549	13.34%
4	Invalid online work orders	35,742	27.16%
TOTAL		131,574	100%

Subtable 2: Valid Work Orders

S/N	Category	Amount	Proportion
1	Complaints	21,077	26.70%
2	Inquiries	33,316	44.90%
3	Suggestions	19,808	28.41%
TOTAL		74,201	100.00%

GLOSSARY

1. Content of Statistics: Including disposal process of the disposed securities companies, the raising, management and use of the protection fund, the categories of securities companies and handed-in funds, the right to indemnity of claim of SIPF, special audit, and intermediary institutions participated into the risk disposal, and investor interaction, and etc.

2. Scope of Statistics: Among the 31 securities companies that have been disposed since 2004, 24 needed protection fund appropriation from SIPF to fill the funding gap for settlement of the securities transaction with their clients and for purchasing the personal claims from their clients. China Southern Securities and Liaoning Securities were appropriated with direct re-loan from the People’s Bank of China, but no balance was assumed by SIPF. Capital- Bridge Securities, Daton Securities, First Securities, Jutian Securities and CIFCO Securities did not use the protection fund. Therefore, here the so-called “all disposed securities companies” refer to the 24 disposed securities companies related to SIPF, while China Southern Securities, Liaoning Securities, Daton Securities, Capital-Bridge Securities, First Securities, Jutian Securities and CIFCO Securities are excluded.

The disposal of China Southern Securities used RMB1.5 billion from the central government special funds.

December 25, 2003, there was RMB259.6 million used by the disposal of Xinhua Securities from stock market special compensation funds. The statistical data of related disposed securities companies excluded those 24 securities companies is included in the relevant form “Others” item for reference.

3. Error: The figure calculation was rounded off. Due to the rounded-off errors, the sum of the subitem figures might not be equal to the total.

4. Monetary Unit: Unless specified, the monetary unit shall all be the RMB100 million.

5. Clients’ Securities Transaction Settlement Funds: The funds deposited by the clients of securities brokerage into the special account of securities transaction settlement funds so as to guarantee a full settlement, as well as all received funds on sales from portfolio (after deduction of brokerage fee commission and other justifiable expenditure), acquired dividends, cash dividends, bond interests and all acquired interests from the funds mention above.

6. Personal Claim: The claim against the financial institution generated when a client, in his own name, opens an accounts or carries out transactions of financial products with real funds invested under a legally established financial institution (here refers to a securities company, same as below). The personal claim

does not include the one against the financial institution generated when an individually owned business individual proprietorship enterprise, individual partnership enterprise, or etc., opens an account or carries out transactions of financial products.

7. Investor Call: The mechanism of investor call is established by SIPF in order to actively respond to the demand of investors and enhance the communication with investors.

8. Acquisition of Personal Claim by the Central Government: According to the requirements of such policies as the Acquisition Opinions on Personal Claim and the Clients' Securities Transaction Settlement Funds shall be the responsibility of the central government. The central government is responsible for 90% of the acquisition funds for the personal claim, and the rest 10% shall be raised respectively by the provincial and municipal governments where the headquarters of financial institutions, branches, and the service outlets are located. However, the central government is responsible for the acquisition of all appropriated securities funds of the normal brokerage clients. The acquisition of personal claim by the central government hereto refers to the central government's responsibility in contribution of capital for purchasing personal claims, but do not included those contributed by local

governments.

9. Re-lending: The re-lending directly borrowed in the name of SIPF from the People's Bank of China as the advance payment for the initial capital source of the securities investors protection funds including the part of the relending issued by branches of the People's Bank of China that has been handed over to SIPF.

10. Issuance of the Protection Funds: The protection funds issued by SIPF directly to the custody and clearing institutions of the disposed securities companies including the part of the issued loans by the branches of the People's Bank of China that has been handed over to SIPF.

11. Account Liquidation: The basic aim of the account liquidation is to provide foundation for re-loan application, the third-party custody, asset liquidation, and investigation over the responsible persons. Its scope of liquidation includes: (1) all accounts opened (in the system) in the over-the-counter transaction system by the securities companies; (2) the accounts opened (outside the system) in the over-the-counter transaction system by the securities companies and their affiliated parties under the third party financial institution; (3) the specified account for the securities transaction settlement funds of clients and deposit reservation for balance account opened by the securities companies in

banks and clearing houses. The liquidation scope of the brokerage accounts mainly includes the fund accounts opened by the brokerage clients in the system, and that of non-brokerage accounts includes the fund accounts inside and outside the system.

12. Third-party Custody: It refers to the bank custody, which is based on a strict management separation of the clients' securities from the funds according to the principal of "Securities Company manages securities and Commercial Bank manages funds". It builds up a separation wall between the securities company and its clients. Thus the securities companies are responsible for the client's securities transaction, share management and calculation of the difference of purchases and sales by the clients according to the transaction settlement data of the securities registration company. While the commercial banks are responsible for the transferring of funds from clients' transaction settlement accounts, cash deposit and withdrawal and fund settlement among the securities companies and securities registration companies and clients. They also take such directions from the securities as to pay interest, to appropriate commissions, etc.

13. Securities Assets Disposal: The disposal of securities assets indicates physical assets required by investment banking of the securities companies or

maintaining normal function of the securities brokerage for clients, which includes physical assets and necessary transaction seats of those departments in securities exchanges, brokerage, IT, liquidation center, machinery room, operation maintenance and other relevant ones. Those assets that are not directly concerned with investment banking of the securities companies or maintaining normal function of the securities brokerage, such as real estates, automobiles, credit worthiness, deferred assets, self-trading securities, self-posessed funds and etc., are not involved in the disposal scope. The detailed scope shall be determined by the liquidation team.

14. General Account: The accounts which are included in the account liquidation scope of disposed securities companies are opened in the transaction system of disposed securities companies and other securities companies.

15. Normal Brokerage Account: The funds in brokerage accounts belong to securities transaction settlement funds of clients. According to the requirements of such policy as Acquisition Opinions, Administration Measures, the clients' securities transaction settlement funds are the funds deposited by the clients of securities brokerage into the accounts of securities companies so as to guarantee a full settlement, as well as all received funds

on sales from portfolio (after deduction of brokerage commission and other justifiable expenditures), acquired dividends, cash dividends, bond interests, and all acquired interests from the funds mention above.

16. Dormant Account: Dormant account is an account which satisfies the following conditions. Both securities account and fund account are completely included. No transactions and cash deposit and withdrawal had been carried out during the last three years before settlement date. Besides, the clients cannot be touched and no clients assert rights until accepted announcement date of bankruptcy.

17. Single-fund Account: It is an account without corresponding securities account on the settlement date and no clients assert rights until accepted announcement date of bankruptcy.

18. Account Balance: The amount balance on the settlement date.

19. Right to Indemnity of Claim: The claim of SIPF against the disposed securities company, which is formed when a securities company is rescinded, closed, and goes to bankruptcy, or is under mandatory supervision measures such administrative take-over or trusteeship management by CSRC, and after the protection fund are used to purchase the personal claims and fill the funding gap of the securities transaction

settlement funds of clients in accordance with the state's policies concerned.

The special funds of RMB15 billion used by China Southern Securities are paid to SIPF who has the right of subrogation. And special compensation funds of securities market of RMB259.6 million used by Xinhua Securities are also paid to SIPF, who has the right of subrogation.

20. Accepted Indemnity of Claim: The behavior of legal bankruptcy liquidation upon a disposed securities company and property distribution of SIPF with the acquisition of the right to indemnity of claim against the disposed securities company.

21. Deadline of Statistics: December 31, 2016.



CHRONICLE IN 2016

January
2016

January 4, launched the securities market information collection, formed the Daily Extraction of Research Reports mechanism;

January 7, organized a symposium on the Specifications for Securities Company to Interface with the Monitoring System (V1.8);

January 20, officially launched the comprehensive upgrade of 12386 hotline;

January 21, published the list of winners from the 2015 investor survey; attended the 1st shareholders' meeting of Beijing Huazheng Puhui Information Co., Ltd.;

January 22, officially launched the nationwide securities business office manager confidence survey, followed by monthly surveys and preparation of business office manager confidence index for 12 issues of the year;

January 26, established the individual and institutional investor information collection system based on the investor sample pool and launched the telephone survey mechanism, resulting in 39 issues of Daily Information Report on Individual and General Institutional Investors;

January 27, formed the daily and weekly report mechanism for investor fund flow in the securities market;

January 28, issued the Specifications for Securities Company to Interface with the Monitoring System (V1.8) and related documents.

February
2016

February 2, added monthly data to the Fund Balance and Change of Securities and Stock Equity Investors;

February 3, prepared the Risk Monitoring Indicators for Securities Companies (V1.0);

February 19, issued the Guide for Monitoring Data Reporting (No. 13)—Private Fund Custody Business;

February 23, SIPF 3rd Investment Decision Committee convened its 1st session in 2016.

March
2016

March 16, issued the A Collection of 2015 Monthly Monitoring Reports on Clients' Funds in the Securities Market— Fund Security;

March 21, the Board of Directors convened its 1st session in 2016 (the 25th in total); attended the annual shareholders' meeting of Harbin Pharmaceutical;

March 21-April 1, investigated telephone availability of listed companies, securities companies, fund management companies and futures companies in the 12386 Hotline workplaces;

March 22, issued the Annexes to Specifications for Securities Company to Interface with the Monitoring System (V1.5.1) and the Monitoring System FAQ (March 2016);

March 25, established the underlying platform of the management system for the special investor compensation funds for misrepresentations of listed companies;

attended the annual shareholders' meeting of Bai Hua Cun.

April
2016

April 1, attended the 2nd shareholders' meeting of Beijing Huazheng Puhui Information Co., Ltd.;

April 13, attended the annual shareholders' meeting of SDIC Essence;

April 14-15, organized the training course on alert cases of the transaction settlement fund monitoring system and the 2nd symposium on the Specifications for Securities Company to Interface with the Monitoring System (V1.8);

April 18, attended the annual shareholders' meeting of Liaoning Chengda;

April 19, the Board of Directors convened its 2nd session in 2016 (the 26th in total); SIPF 3rd Investment Decision Committee convened its 2nd session in 2016; the revised Measures for the Administration of Securities Investor Protection Fund was officially published;

April 29, the Specifications for Securities Company to Interface with the Securities Transaction Settlement Fund Monitoring System (V1.8) was officially launched.

May
2016

May 5, SIPF Strategic Development Committee held its 1st session in 2016;
 May 9, attended the 3rd shareholders' meeting of Beijing Huazheng Puhui Information Co., Ltd.;
 May 11, attended the 2016 International Securities Investor Protection Conference;
 May 26, launched the new website of China Securities Investor Protection Fund Corporation Limited (www.sipf.com.cn);
 May 27, held the symposium of major broker-dealers of securities companies; attended the annual shareholders' meeting of China Resources-Double Crane.

June
2016

June 3, SIPF 3rd Investment Decision Committee convened its 3rd session in 2016;
 June 5, the external email system of SIPF website was upgraded through fundamental resource rental;
 June 15, the Board of Directors convened its 3rd session in 2016 (the 27th in total);
 June 20, optimized the data report line in the securities transaction settlement fund monitoring system for securities companies;
 June 22, attended The 1st International Conference for the protection of investors' rights in EEU countries and China;
 June 23, held the first meeting for the establishment of the ad hoc expert group of statistics and the first symposium of 2016 on risk monitoring of securities companies;
 June 24, optimized the data transmission line in the monitoring system for securities companies;
 June 27, attended the annual shareholders' meeting of Nanfang Textile;
 June 29, held the 1st investor survey training session in 2016;
 June 30, held the first symposium of securities business office managers in 2016.

July
2016

July 2, erected the main and backup lines dedicated to MicroBlog and WeChat;
 July 8, attended the 4th shareholders' meeting of Beijing Huazheng Puhui Information Co., Ltd.;
 July 15, launched two routine monitoring posts respectively for "integrity of clients' information" and "integrity of the correlation between clients' fund account and securities account";
 July 18, attended the first extraordinary shareholders' meeting of SDIC Essence in 2016;
 July 19, SIPF 2nd Strategic Development Committee held its 2nd session (extended) in 2016;
 July 20, issued the Guide for Monitoring Data Submission (No. 1) — Securities Companies' Initial Interface with the Monitoring System.

August
2016

August 9, SIPF 3rd Investment Decision Committee convened its 4th session in 2016;
 June 16, issued the Analysis Report on Chinese Securities Investor Confidence Index for the first half of 2016;
 August 17, probed into the risk monitoring indicator system for securities companies and prepared the Analysis Report on the Risks Monitoring of Securities Companies (January 2014-June 2016); completed the local system-level backup system and non-local data-level backup system for 12386 hotline;
 August 23, Credit Suisse Founder Securities Limited was included into the monitoring system.

September
2016

September 1, issued the Measures of China Securities Investor Protection Fund Corporation Limited for Detection of and Dealing with Violation of Regulations on Securities and Futures (Trial);

September 2, China Securities Internet System Co., Ltd. was included into the monitoring system;

September 8, issued the Rules of China Securities Investor Protection Fund Corporation Limited on the Mediator of Securities Dispute Resolution (Trial), the Rules of China Securities Investor Protection Fund Corporation Limited on Securities Dispute Resolution (Trial) and the Administrative Measures of China Securities Investor Protection Fund Corporation Limited for Securities Dispute Resolution (Trial);

September 12, SIPF 3rd Investment Decision Committee convened its 5th session in 2016;

September 21, the Board of Directors convened its 4th session in 2016 (the 28th in total);

September 23, SIPF 4th Investment Decision Committee convened its 1st session in 2016;

September 26, attended the training symposium of IOSCO Affiliate Members Consultative Committee;

September 28, attended EFDI international symposium; established the monthly reporting mechanism for risk monitoring of securities companies;

September 29, issued the Specifications for Securities Company to Interface with the Monitoring System (V1.8.1) and related documents to define the data reporting requirements for Hong Kong Stock Connect under Shenzhen-Hong Kong Stock Connect.

October
2016

October 11, the Board of Directors convened its 5th session in 2016 (the 29th in total);

October 13, the Board of Directors convened its 6th session in 2016 (the 30th in total);

October 17-31, attended the field inspection of securities and fund operators organized by the Department of Fund and Intermediary Supervision of CSRC;

October 20, attended the 5th shareholders' meeting of Beijing Huazheng Puhui Information Co., Ltd.;

October 25, SIPF 4th Investment Decision Committee convened its 2nd session in 2016;

October 26, convened the first meeting of the Securities Dispute Resolution Committee and reviewed the proposal on the engagement of the first group of mediators.

November
2016

November 1, issued the Specifications for CSDC to Interface with the Transaction Settlement Fund Monitoring System (V3.3);

November 3, issued the Seventh Five-year Plan of China Securities Investor Protection Fund Corporation Limited for Legal Education;

completed the filing of Class 2 information security of the Securities Transaction Settlement Fund Monitoring System;

November 10, published the Report on Website Construction and Online Information Disclosure of the Companies Listed in A-share Market in 2016;

November 15, held the second symposium of the ad hoc expert group of statistics on risk monitoring of securities companies;

November 16, SIPF 4th Investment Decision Committee convened its 3rd session in 2016; held the 2nd investor survey training session in 2016;

November 17, held the second symposium of securities business office managers in 2016;

November 18, the Board of Directors convened its 7th session in 2016 (the 31st in total);

November 19, printed The Case of Wanfu Biotechnology Investor Compensation Funds (2016);

November 28, attended the 6th shareholders' meeting of Beijing Huazheng Puhui Information Co., Ltd.;

developed the Summary Report on the Works of China Securities Investor Protection Fund Corporation Limited in Risk Monitoring of Securities Companies and Clients' Fund Safety and the Summary Report on the Works of China Securities Investor Protection Fund Corporation Limited in Information Collection and Processing;

November 30, visited FSCS of UK to communicate on the legal system and practices relating to investor protection and investor compensation.

December
2016

December 1-2, held the 2nd symposium of major broker-dealers of securities companies;

December 5, attended the third extraordinary shareholders' meeting of SDIC Essence in 2016;

the Specifications for Securities Company to Interface with the Monitoring System (V1.8.1) was launched, securities companies reported data on Hong Kong Stock Connect under Shenzhen-Hong Kong Stock Connect, and Jintong Securities was included into the monitoring system;

December 6, held the media symposium in 2016;

attended the 7th shareholders' meeting of Beijing Huazheng Puhui Information Co., Ltd.;

held the 2nd Symposium on Standard Fund Accounts in Securities Sector;

December 8, the Board of Directors convened its 8th session in 2016 (the 32nd in total);

December 9, SIPF 4th Investment Decision Committee convened its 4th session in 2016;

December 9, held the 2016 report and situation analysis meeting on clients' fund custody;

December 14, published the White Paper on Investor Protection in Chinese Capital Market —2015 Report on Investor Protection of SROs in the Securities and Futures Market;

December 16, the Securities Dispute Resolution Center was inaugurated;

December 20, published the White Paper on Investor Protection in Chinese Capital Market —2015 Assessment Report on Investor Protection of Companies Listed in A-share Market; held the SIPF education and guiding conference.

December 23, the Board of Directors convened its 9th session in 2016 (the 33rd in total);

issued the Rules of China Securities Investor Protection Fund Corporation Limited on Bank Savings;

December 27, attended the fourth extraordinary shareholders' meeting of SDIC Essence in 2016.