



2019

Corporate Social Responsibility Report

About the Report

Reporting Period

The reporting period covers from January 1, 2019 to December 31, 2019, and also includes contents and data that predates the stated reporting period.

Reporting Scope

The headquarters and subordinate organizations of Shenzhen Capital Group Co., Ltd.

Compilation Principles

GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Reporting Initiative (GRI)

GB/T 36001-2015 Guidance on Social Responsibility Reporting issued by the Standardization Administration of China

Guidelines to the State-owned Enterprises on Better Fulfilling Corporate Social Responsibilities released by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC)

The UN 2030 Agenda for Sustainable Development

Data Sources

The data in the report come from our internal relevant statistical statements, company documents and reports or public information.

Reliability Statement

We assure that no fictitious record, misleading statement, or material omission is included in this report.

Reference

For better readability, "Shenzhen Capital Group Co., Ltd." is also referred to as "SCGC", "the Company" and "we" in the Report.

Report Version

The Report is available in both Chinese and English versions. In case of any discrepancy, the Chinese version shall prevail.

Report access

This report is provided in both printed and electronic forms. You can download the electronic version from our official website. If you have any questions about the Report content or need a paper version, please email to csr@szvc.com.cn or call at 0755-82912888.

CONTENTS

Message from the Chairman	02
About SCGC	04
Development Strategy	05
Corporate Governance	06
Party Building	08
Compliance Operation	09
CSR Feature: With 20 Years of Sheer Endeavor, SCGC Sails for Excellence	10
Value Investment Management	14
Value Investment Concept	14
Value Investment Strategy	14
Whole-Chain Investment Management	15
Stakeholder Communication	17
Outlook	52
Disclaimer	52
GRI Content Index	53
Feedback Sheet	54

18/ Value Investment for a Better Future



Driving Industrial Development	20
Making a Better Life Possible	22
Sharing a Blue Sky	22

24/ Empowering Enterprise Development



Meeting Financial Needs	26
Improving Management	26
Integrating Diverse Resources	28
Building a Capital Engine	30

32/ Enhancing International Cooperation



Developing Overseas Market	34
Enhancing Win-win Cooperation	36
Strengthening Communication and Exchange	37

38/ Nurturing Innovation Talents



Promoting Employee Growth	40
Unblocking Career Development Channels	42
Protecting Employee Rights and Interests	42
Building a Happy SCGC	43

44/ Jointly Building a Beautiful Homeland



Advocating Green Development	46
Promoting Poverty Alleviation	48
Engaging in Charity	51

Message from the Chairman



The year 2019 is the 70th anniversary of the founding of the People's Republic of China, the 40th anniversary of the founding of Shenzhen Special Economic Zone, and the 20th anniversary of the founding of Shenzhen Capital Group Co., Ltd. (SCGC). In the past 20 years, we have experienced the whole process of China's venture capital from the seed to the blossoming, from exploration in the darkness to the flourishing development of the industry, from a niche market to an eye-catching market. Starting from an industry newcomer with RMB 700 million of assets, SCGC has become an industry leader that manages nearly RMB 340 billion of assets. During the past two decades, we have taken "Discovering and incubating great enterprises" as our mission and driven development with innovation, embarking on the venture capital development with Chinese characteristics. For years, we have ranked top in multiple ranking lists, held by renown authoritative institutions such as the Venture Capital Commission of the Investment Association of China (IAC), Zero2IPO Group and China Venture.

We insist on long-term value investment. We focus on creating commercial and social values, gradually integrate social responsibility into the entire chain management of investment, and integrate environmental, social and governance (ESG) into the full life cycle of investment management. We actively respond to national strategies to invest in the seven major emerging industries of strategic importance, and facilitate China's industrial transformation and upgrade. Upholding the philosophy of "30% on investment, 70% for services", we seek to help visionary companies with great potentials, and provide them with services such as supervision and management, resources integration, management consultation, asset operation guidance, communication and collaboration, and training and coaching, to empower enterprises to achieve extraordinary growth. Cumulatively, we have provided RMB 36.20661 billion of financial support to 930 enterprises and provided value-added services for over 200 enterprises. Moreover, we enhance international business cooperation and deployment, and promote international fundraising, investment and project exit. We have helped a total of 40 enterprises get listed on overseas stock exchanges, promoting domestic and overseas resource complementation and creating mutual benefits.

We value the cultivation of innovation talents. Innovative employees are the core driving force of VC. We constantly improve the talent cultivation system and endeavor to build a learning-based team. In 2019, over RMB 400,000 was invested in staff training to improve employees' core competencies. We provide diverse channels of career development and enable every employee to make full use of their talent. We reform the performance management to combine OKR and KPI, motivate employees' internal drive, and nurture their awareness as the owner of SCGC. We build a competitive compensation and benefit system, fully protect employees' legal rights and interests, and care for them, creating a warm and relaxing working environment for employees.

We practice the philosophy of harmonious development. We embed green development into the entire process of business operation, apply green building and sponge city technologies, and encourage employees to practice green office and green living, building a green homeland. We earnestly fulfill our responsibilities as a state-owned organization and steadily promote targeted poverty alleviation. Cumulatively, RMB 4.53 million has been invested in poverty alleviation, largely through Party building, industrial development, infrastructure development, educational support, employment enhancement and medical improvement. As a VC firm, we contribute to the fight against poverty and building a moderately prosperous society in all respects.

2020 is the concluding year of building a moderately prosperous society in all respects and the 13th Five-Year Plan, and also the first year of the 14th Five-Year Plan. We will continue to implement the important speeches and deployment on Shenzhen made by General Secretary Xi Jinping in Guangdong and insist on value investment, the essence of venture capital. Following the rules of the industry development, we will enhance research to invest wisely and responsibly and foster new driving force of China's economy; we will continue to expand our network and resources and strive to build SCGC into a best-in-class service platform of venture capital in China. With a vision for global development, we will take solid actions to build SCGC into a global leading investment group that takes venture capital as the core business.

Party Secretary and Chairman Shenzhen Capital Group Co., Ltd. **Ni Zewang**



About SCGC

Shenzhen Capital Group Co., Ltd. (SCGC) was originally co-founded by the Shenzhen Municipal Government and a group of private partners in 1999. With the mission of “Discovering and incubating great enterprises”, the Company is dedicated to seeking and creating innovation value and has become a comprehensive investment group that takes venture capital as its core. As of the end of 2019, the registered capital of the Company totaled RMB 5.42 billion and its total assets under management was nearly RMB 340 billion.

Main Businesses

Core Businesses

Venture Capital and
Equity Investment

We seek and help visionary and innovative entrepreneurs. We invest in innovation-based enterprises committed to reshaping industrial ecosystem and making a real impact on human society. We provide all-round services for the full life cycle of enterprise development, and empower entrepreneurs to build global leading enterprises.

Fund Management

We establish and manage various funds, including private equity funds (including venture capital funds), equity investment fund of funds (FOF), special funds (property funds, private placement funds, and PPP funds). In addition, Laterite Innovation Fund Management Co., Ltd., the first public offering fund of venture capital in China, is under management of SCGC.

Value-added Service

Supervision and management: Assigning directors, supervisors and finance directors to enhance supervision over invested companies on the principle of improving social credibility.

Resources integration:Integrating operation and management resources between enterprises, between enterprises and governments, and between enterprises and intermediary institutions.

Management consultation: Providing management consultation service for enterprises to tackle their pain points.

Asset operation guidance: Helping enterprises get listed, complete acquisition and merger and conduct subsequent financing.

Communication platforms: Organizing entrepreneur forums, financing roadshows and other activities to provide invested companies with platforms of communication and cooperation.

Training and coaching: Collaborating with universities and colleges to hold enterprise operation and management training courses, study tours and field trips to provide training and coaching service for entrepreneurs.

Derivative Businesses

Asset management, financial consulting and financing service, etc.



Corporate Culture

Mission

Discovering and incubating great enterprises

Positioning

Seeking and creating innovation value

Vision

Building a global leading investment group that takes venture capital as the core business

Core values

Integrity, Pragmaticality, Innovation, Mutual Benefits

Development Strategy

Professionalism

Developing the core business of venture capital

We build professional funds of venture capital, improve professional investment capability, and facilitate economic transformation and upgrade; we conduct professional research and investment, and enhance the capabilities of project identification, investment management and service.

Diversity

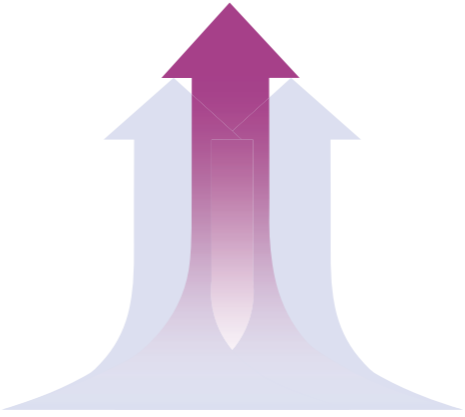
Expanding the industrial chain of equity investment

We leverage years of experience in innovative SMEs investment and service as well as related resources to meet innovative enterprises' demand for financial services. We actively expand the upstream and downstream industrial chain of equity investment, including but not limited to fund of funds (FOF) management, public offering fund management, large-scale private equity (PE) fund management, merger and acquisition (M&A) fund management and property fund management, etc.

Internationalization

Enhancing global business deployment

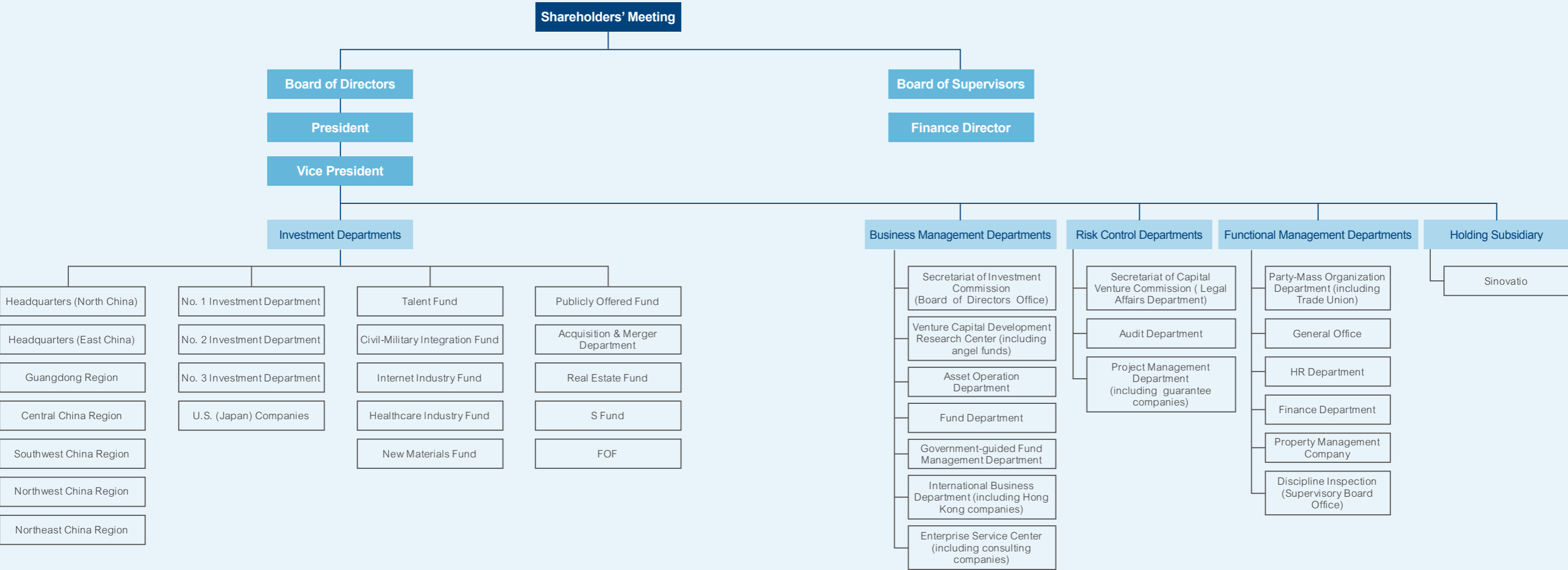
We expand international businesses and enhance transnational cooperation. In fundraising, we initiate the establishment of joint venture funds of domestic and foreign investment; in investment, we seek quality projects across the globe, steadily promote project investment of overseas investors, and actively attract overseas projects to settle in domestic market; in investment exit, we enhance cooperation with global leading intermediary institutions to facilitate project exit and support qualified invested companies to get listed on overseas stock exchanges.



Corporate Governance

Implementing the regulations of State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipality, SCGC builds a well-developed corporate governance system, specifies the duties of Shareholders' Meeting, Board of Directors, and Board of Supervisors, and forms scientific and effective division of duties and system of checks and balances. In 2019, the Company held the Shareholders' Meeting to review the appointment, dismissal and resignation of directors on the principles of openness, fairness and justice; the Company held the Sixth Meeting of the Sixth Board of Directors to revise the *Regulations on Investment Decision-Making of SCGC* and its detailed implementation rules, forming a flexible and highly efficient hierarchical decision-making mechanism. As a result, the investment decisions will be more scientific and efficient at SCGC.

Organizational Structure



Shareholder Framework

Municipal and District State-owned Company/Institution	Listed Company	Private Company
State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipality28.20%	Shanghai Dazhong Public Utilities (Group) Co., Ltd.10.80%	Shenzhen Galaxy Real Estate Development Co., Ltd.20.00%
Shenzhen Yuanzhi Investment Co., Ltd. (Shenzhen Capital Holding Co., Ltd.)12.79%	Shenzhen Energy Group Co., Ltd.5.03%	Shenzhen Liye Group Co.,Ltd.4.89%
Shenzhen Yixin Investment Co., Ltd.3.31%	Guangdong Electric Power Development Co., Ltd.3.67%	Fujian Septwolves Group3.57%
Futian Investment Holdings2.44%	Guangshen Railway Company Limited1.40%	Fujian Septwolves Group Corporation1.32%
Yantian Port Group (YTP)2.33%	ZTE Corporation0.23%	

Party Building

SCGC earnestly studies Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. Under the guidance of the overarching requirements of Party building and the Party's organizational line for the new era, we launch a campaign on the theme of "staying true to our founding mission" to improve Party building. In particular, we focus on enhancing the leadership of Party Committee, the cohesion of Party branches, and the strength of Party members. With solid actions, we integrate Party building into the entire process of our investment and operation management.

Launching a campaign on the theme of "staying true to our founding mission"

We have established a leading group (office) of the campaign on the theme of "staying true to our founding mission", and issued the implementation plan of the thematic campaign and four supporting work plans for centralized research and discussion, investigation, problem identification, and rectification and improvement, to ensure the full implementation of the campaign.

Enforcing full, rigorous self-discipline of the Party

According to the requirements of the disciplinary inspection group, we proactively identify problems, develop and implement a targeted rectification plan. We comprehensively enhance the primary-level Party organizations and team building, and enforce full, rigorous self-discipline of the Party to improve Party building in all respects.

Playing the role of leadership of Party Committee

We have constantly improved the Party Committee meeting agenda review process, optimized the mechanisms of pre-meeting communication and informal meetings of the management team, established the key work supervision mechanism, and given full play to the role of leadership of the Party Committee. In 2019, we held 30 meetings of the Party Committee and reviewed 182 issues, covering Party building, human resources deployment, disciplinary inspection, large investments, and major decisions, etc.

Improving Party conduct and clean governance

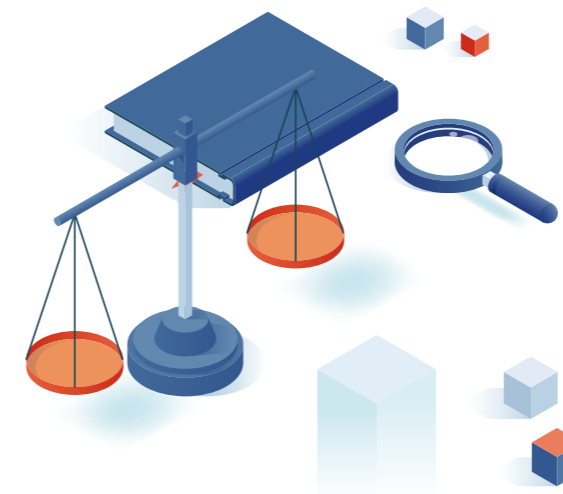
We see that the management at all levels fulfill responsibilities for improving Party conduct and clean governance, urge invested companies and fund managers to sign letters of integrity, and improve the awareness of integrity and self-discipline. We re-identify and re-evaluate the integrity risks of all positions and businesses of the Company and revise *Integrity Risks Prevention Guideline* and other systems to prevent and mitigate integrity risks with rigorous systems.

Compliance Operation

SCGC insists on strict standardization of investment operations. We have built a well-developed internal control system and supervision network, to collaboratively guarantee the stable operation of SCGC.

Building a Well-developed Internal Control System

We have established the framework of the internal control system that comprises the Board of Directors, Board of Supervisors, the management and all departments. Moreover, we have specified the responsibilities of all units and functional departments, and integrated internal control into the decision-making, implementation and supervision of investment operations at all levels, in an effort to effectively prevent risks.



Enhancing Internal Audit

Centering on the objectives and focuses of corporate operation management, we have urged 149 funds and fund management companies to conduct self-inspections and rectifications; we carried out regular internal audits, economic benefit audits and special audits in subordinate funds and fund management companies, and participated in the investigation conducted by our 2 holding companies and 3 shareholding funds to detect problems and rectify errors.

Strengthening Supervision Coordination

We have established a Six-In-One joint supervision commission supported by the Secretariat of Investment Commission, the Secretariat of Capital Venture Commission, Project Management Department, Fund Management, and Government-guided Fund Management Department, etc. Seven working mechanisms for joint meeting, joint inspection, resource sharing, investigation of hidden hazards, special project meeting, work report and work coordination are set up, which helped form a supervision network that has a clear division of duties and realize functional complementation, thus ensuring the effects of joint supervision.



CSR Feature: With 20 Years of Sheer Endeavor, SCGC Sails for Excellence

In 1999, SCGC was established with the mission of "Promoting the high-tech development of the country". For the past 20 years, the Company has made constant innovations and leveraged it to explore the venture capital development path with Chinese characteristics. During the process of seeking and nurturing a large group of technology-based and innovative enterprises in Shenzhen and across China, SCGC has become one of the largest venture capital institutions in China.

CSR Milestones



● In 1999

On August 26, 1999, Shenzhen Innovation Technology Investment Co., Ltd., was founded, with a registered capital of RMB 700 million.

The Company completed the first investment project - the investment project of Shenzhen Winhap Communications Inc.

● In 2001

The Company established investment management subsidiaries in Shanghai, Harbin, Wuhan, Chengdu and Xi'an, making its first step of developing business nationwide based in Shenzhen.

● In 2004

SCGC unveiled its post-doctoral research workstation, the first post-doctoral research workstation in the venture capital industry of China.

Ninetowns Internet Technology Group Co Ltd. was listed on Nasdaq, becoming the first company invested by SCGC that got listed on NASDAQ.

Semiconductor Manufacturing International Corporation (SMIC) was listed on the Market of the New York Stock Exchange (NYSE) and on the Main Board Market of The Stock Exchange of Hong Kong Ltd., becoming the first company invested by SCGC that got listed on NYSE.

Weichai Holding Group Co.,Ltd. issued H-shares on The Stock Exchange of Hong Kong Ltd.(SEHK), becoming the first company invested by SCGC that got listed on H-shares market.

● In 2007

Suzhou International Development Venture Capital Holding Co., Ltd. (SIDVC), the first Government-guided Fund of SCGC, was established, which ushered in the era of China's Government-guided Funds.

Sino-German Environmental Protection Co., Ltd. was listed on Deutsche Börse AG (DBAG), becoming the first company invested by SCGC that got listed on DBAG.

3nod was listed on the KOSDAQ of Korea Exchange (KRX), becoming the first Chinese company listed on KOSDAQ.

Weichai Holding Group Co.,Ltd. was listed on Shenzhen Stock Exchange (SZSE) to issue A-shares, becoming the first company that realized the transformation from issuing H-shares to issuing A-shares and also the first company invested by SCGC that got listed on the Main Board of SZSE.

● In 2008

China Photovoltaic Group was listed on the NYSE Euronext, becoming the first company listed on this market.



● In 2014

Laterite Innovation Fund Management Co., Ltd., a wholly-owned subsidiary of SCGC, was established, becoming the first wholly-owned publicly offered fund initiated by the venture capital institution.

SCGC Plaza - the Headquarters Building of SCGC - commenced construction in Nanshan District, Shenzhen.

The registered capital was increased to RMB 4.2 billion.

● In 2015

Harbin Zhongfei New Technology Co., Ltd. was listed, which symbolized the number of companies invested by SCGC that got listed on open markets exceeded 100.

● In 2017

SCGC organized an international development strategy press conference, where it signed agreements with domestic and foreign cooperation partners, and held the unveiling ceremony of Sino-US Fund, announcing the full launch of its international development strategy.

Shenzhen Sinovatio Technology Co., Ltd., a holding subsidiary of SCGC, was listed on the Small- and Medium-sized Enterprises (SME) Board Market of Shenzhen Stock Exchange (SZSE), becoming the first independent IPO of the holding subsidiaries of SCGC.

● In 2018

Shenzhen Angel Investment Guiding Fund (Shenzhen Angel Fund of Fund), a strategic and government-guided fund initiated by Shenzhen, was unveiled, which was co-managed by Shenzhen Investment Holdings Co., Ltd. (SIHC) and Shenzhen Capital Group Co., Ltd. (SCGC).

The first product of REITs (Real Estate Investment Trust of Shenzhen Capital Group Co., Ltd. and Shenzhen Talents Housing Group Co., Ltd.), China's first public talent rental housing, was listed on Shenzhen Stock Exchange (SZSX).

SCGC established its first acquisition & merger fund and the first angel investment.

The registered capital was increased to RMB 5.42 billion.

1999—2000

● In 2000

SYSCAN Technology Holdings Limited was listed on the Growth Enterprise Market (GEM) of The Stock Exchange of Hong Kong Ltd., becoming the first IPO company invested by SCGC.



● In 2002

The Company cooperated with United Overseas Bank to establish Sino-Singapore Connectivity Private Equity Fund (Sino-Singapore Fund) - the first Sino-foreign venture capital fund in China.

Shenzhen Innovation Technology Investment Co., Ltd. was renamed Shenzhen Capital Group Co., Ltd. (SCGC), commencing operation as a group corporation.

The registered capital was increased to RMB 1.6 billion.

● In 2003

Shenzhen Kingdom Sci-Tech Co., Ltd. was listed on Shanghai Stock Exchange (SSE), becoming the first company invested by SCGC that got listed on the Main Board Market of SSE.

2001—2010

● In 2006

Oriental Century was listed on Singapore Exchange (SGX), becoming the first company invested by SCGC that got listed on SGX.

Huishi Communications was listed on Australian Securities Exchange (ASX), becoming the first company invested by SCGC that got listed on ASX.

Shenzhen Coship Electronics Co., Ltd. (Coship) was listed on the Small- and Medium-sized Enterprises (SME) Board Market of Shenzhen Stock Exchange (SZSE), becoming the first company invested by SCGC that got listed on the SME Board of SZSE. This event symbolized the Spring of China's venture capital industry has come.

● In 2010

SCGC introduced private shareholders such as Galaxy Real Estate, Shenzhen Liye Group and SEPTWOLVES, entering a new stage of corporate governance.

SCGC invested in 26 companies and helped them get listed on stock exchanges, setting up a world record in terms of the number of IPOs of venture capital firms in the year.

As a Chinese venture capital firm, SCGC was listed in the case teaching materials of Harvard Business School.

The registered capital was increased to RMB 2.5 billion.

● In 2016

SCGC achieved much progress in system and mechanism reform and implemented the shareholding plan for management teams of newly established commercialized funds.

SCGC was entrusted to manage the first entity fund of National SME Development Fund worth RMB 6 billion and Shenzhen Government-guided Fund worth RMB 100 billion.

The first Sino-Korea industrial investment fund was established, which was invested by the South Korea government and co-managed by SCGC, Oriental Fortune and SV Corporation (Korea).

● In 2019

Four companies - Yantai Raytron Technology Co., Ltd., Appotronics Corporation Ltd., Montage Technology and Western Superconducting Technologies Co., Ltd. - became the first batch listed on the Sci-Tech Innovation Board (STAR Market) of Shanghai Stock Exchange (SSE); SCGC has become the venture capital firm that invests in the largest number of STAR Market listed companies in the first batch.

SCGC established the S Fund.



Performance Overview

Business Operation Profile	<p>As of the end of 2019, the total assets and net assets of SCGC had reached RMB 36 billion and RMB 19.569 billion respectively, with the liabilities to assets (L/A) ratio of 45.64 %.</p>
Value Investment for a Better Future	<p>As of the end of 2019, SCGC had invested in 930 companies cumulatively with a total of RMB 36.20661 billion; SCGC had managed 158 funds with a subscribed capital of RMB 299.446 billion.</p>
Empowering Enterprise Development	<p>As of the end of 2019, SCGC had held 16 venture capital trainings and 40 entrepreneur communication activities, provided value-added services for over 200 companies, and helped 98 key companies solve multiple operation management problems.</p>
Enhancing International Cooperation	<p>As of the end of 2019, SCGC had established 4 internationalized funds and invested RMB 1.63794 billion in overseas projects. Its investment projects had been launched in 16 capital markets across the globe.</p>
Nurturing Innovation Talents	<p>As of the end of 2019, SCGC had had 448 employees including 33.26 % female employees and had recruited 77 post-doctors in total.</p>
Jointly Building a Beautiful Homeland	<p>As of the end of 2019, SCGC had invested RMB 4.53 million in poverty alleviation and assigned 5 employees to support poverty alleviation in villages.</p>

CSR Honor

Issuer	Awards in 2019
Zero2IPO Group	<ul style="list-style-type: none">Ranked 2nd among Top 50 Chinese Venture Capital Institutions of 2019 (ranking 1st among local venture capital institutions); 2019 Best VC Institutions in Investment Exit in China, etc.The Shenzhen Government-guided Investment Fund under entrusted management of SCGC ranked 1st among Top 30 Chinese Government-guided Funds of 2018
China Venture	<ul style="list-style-type: none">Ranked 1st among 2018 Top 50 Chinese Venture Capital Institutions in China, etc.Ranked 2nd among LP's List of Top 20 Venture Capital Institutions of 2019 and 2019 Top 20 Best Limited Partners in ChinaThe Shenzhen Government-guided Investment Fund under entrusted management of SCGC ranked 1st among Top 20 Government-guided Funds of 2019 and also ranked among 2019 Top 10 Best Venture Capital Guidance Funds in China
National Development and Reform Commission (NDRC), Venture Capital Commission of the Investment Association of China (IAC)	<ul style="list-style-type: none">1 Special Award for National High Quality Investment Project12 National High Quality Investment Project Awards
Chinese Venture	<ul style="list-style-type: none">2018 Top 10 Venture Capital Institutions in China; Top 10 China Venture Capital Institutions with Best Returns; Top 10 Most Active Private Equity Venture Capital Institutions in China; Top 10 Fundraisers and Venture Capital Institutions in China; Top 20 Limited Partners in China; Real Estate Fund Management Institution with the Greatest Growth Momentum, etc.
Securities Times	<ul style="list-style-type: none">Best VC Institution of the Year, Best Venture Capital Institution in Entertainment Industry, and Best Venture Institution in Consumption Industry of 2019 China Venture Capital Golden Eagle Award
China Securities Journal	<ul style="list-style-type: none">Three-Year Golden Bull Venture Capital Investment Institution Award; Golden Bull High-end Manufacturing Sector Investment Institution AwardThe Shenzhen Government-guided Investment Fund under entrusted management of SCGC was awarded Golden Bull Industry Guidance Fund
ShangHai Securities News	<ul style="list-style-type: none">Golden Financing Award for Excellent Investment Institution for Sci-Tech Innovation Board EnterprisesThe Shenzhen Government-guided Investment Fund under entrusted management of SCGC received Golden Financing Award for FOFs
China Limited Partners Alliance (CLPA)	<ul style="list-style-type: none">Ranked 1st among Top 20 CLPA 2018-2019 Best Venture Capital Guidance Fund Management Teams; Ranked 2nd among CLPA 2018-2019 GP with Most LP Investment Value - Top 50 Venture Capital Institutions

Value Investment Management

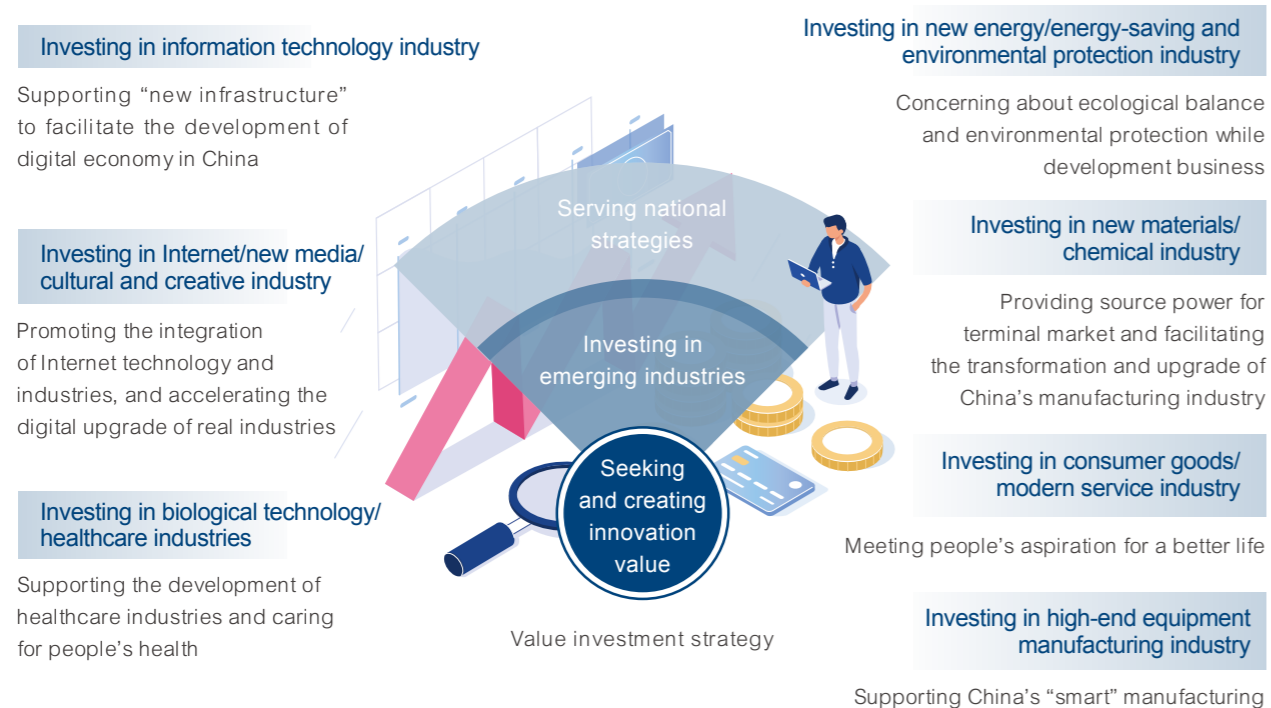
Value Investment Concept

With the mission of "Discovering and incubating great enterprises", the Company integrates innovation resources to accelerate innovations, and invests in companies with innovation capability, exerting good impacts on the world. Moreover, the Company keeps seeking outstanding entrepreneurs, tries to create a healthy industrial ecosystem, and empowers invested companies to stand out from competition.



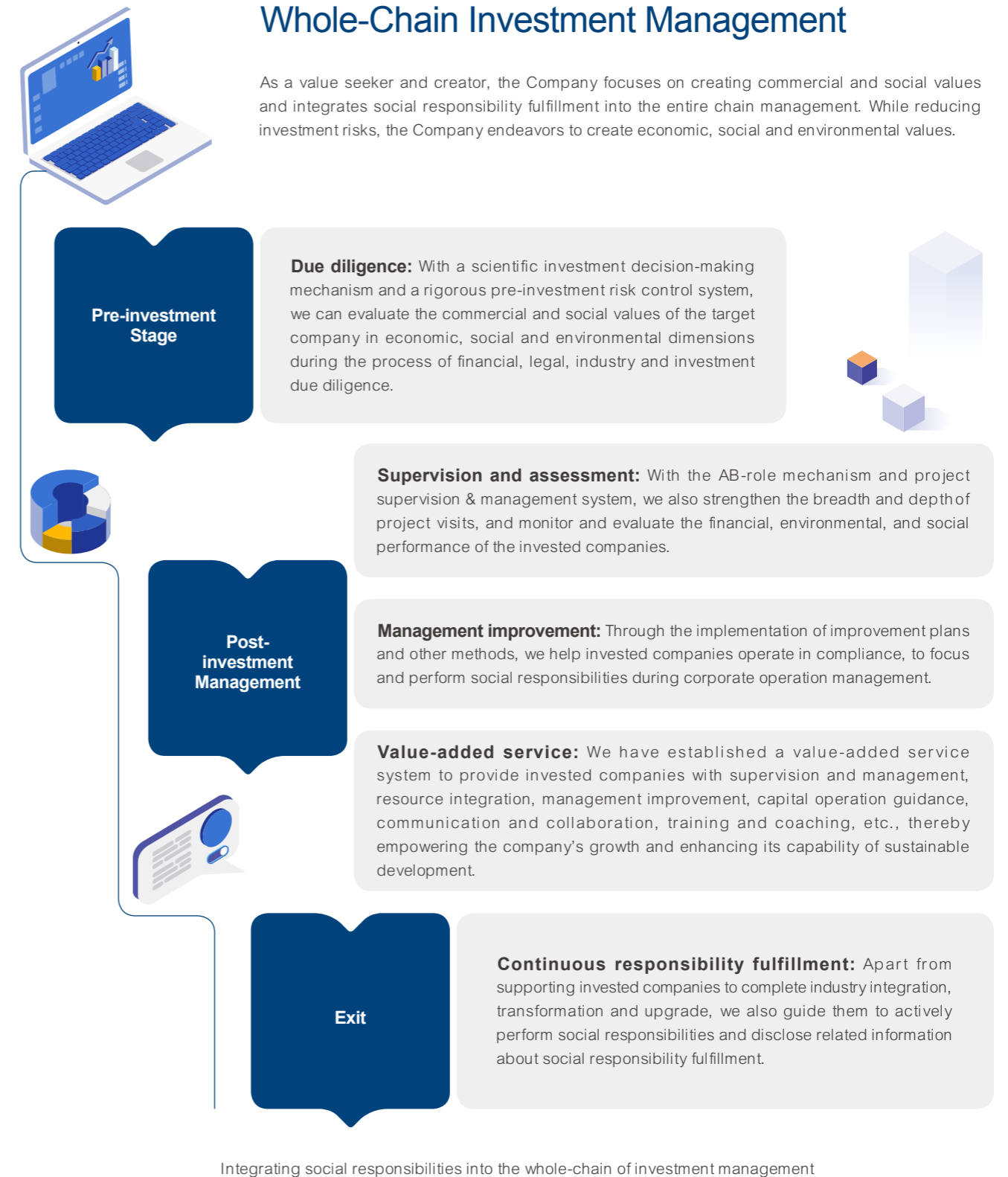
Value Investment Strategy

The Company takes value investment as its goal, actively responds to national strategies, and invests in areas with innovation value to promote the development of national high-tech industry, support regional economic development, and realize sustainable corporate development, contributing to economic, social and environmental harmony.



Whole-Chain Investment Management

As a value seeker and creator, the Company focuses on creating commercial and social values and integrates social responsibility fulfillment into the entire chain management. While reducing investment risks, the Company endeavors to create economic, social and environmental values.





Case Akeso believes in and pursues value investment.

Established in 2012, Akeso, Inc. ("Akeso") is a biopharmaceutical company dedicated to clinical research, development, production and commercialization of drugs and therapies that meet global unsatisfied medical needs in cancer treatment, immune and other areas.

Since 2015, we have participated in Akeso's four rounds of financing and witnessed its development and growth.

Pursuing value investment

It has never been easy to develop innovative drugs, which demands much time and investment. Once a new innovative drug is developed successfully, it will help promote economic development, improve people's life span and quality, and even promote progresses in human society. During project research, SCGC finds that although Akeso has policy and financial support from Zhongshan City, it still faces financing pressure. This is because the venture capital industry rarely invests in innovative antibody drugs.

In an era with prevalence of generic drugs and lack of innovative drugs, investing in such a start-up project requires courage, and the ability to seek and predict value. After in-depth due diligence, the investment team believes that Akeso is a firm worth investing that can create long-term social value. Finally, SCGC collaborated with several other funds to make A round of financing - RMB 60 million investment in Akeso.

Focusing on value creation

In addition to financial support, we provide Akeso with value-added services that cover corporate strategy planning, industrial resource integration, and listing preparation, etc. to promote its development.

After knowing Akeso's plan of listing in Hong Kong, we communicated with Commerce Bureau of Shenzhen Municipality and Development and Reform Commission of Shenzhen Municipality for dozens of times. Finally, Laterite Kangfang led 17 domestic institutions to propose Outbound Direct Investment (ODI). In June 2019, we helped Akeso complete ODI registration, facilitating its overseas listing.

With Akeso's unremitting efforts and SCGC's capital and post-investment service, Akeso makes steady progresses. Akeso got listed on SEHK on April 24, 2020. Today, Akeso boasts the most diversified research pipeline of innovative antibody drugs in China. It has more than 20 drug development projects, 12 of which are in clinical stage; six bispecific antibodies (two in clinical stage) and four antibodies were approved by the U.S. Food and Drug Administration (FDA) for Investigational New Drug Applications (INDs).



Stakeholder Communication

In the process of CSR fulfillment and value investment, we pay attention to identifying the expectations and demands of stakeholders. The invested companies are empowered via communication, cooperation and interaction, which also helps us build multi-level and multi-directional communication channels with the government, investors, invested companies and other stakeholders and facilitates a harmonious relationship with stakeholders.

Stakeholder	Expectations and demands	Communication mechanism
 The government/ Regulatory authorities	Driving economic development Complying with laws and regulations Fulfilling social responsibility	Work conference Regular reporting Information submission
 Investors	Value maintenance and appreciation of assets Quality service Transparent operation	Business performance evaluation and supervision Discussion and investigation Work conference
 Invested companies	Providing guidance and support Promoting innovation Management improvement	Regular visits Daily communication Shareholders' meeting
 Cooperative partners	Mutual benefits Win-win cooperation Common development	Cooperation agreement Daily communication Forum
 Employees	Protection of rights and interests Compensation and welfare Working environment	Forum and training Work communication Feedback
 Communities and the public	Building a harmonious community Poverty alleviation	Participating in social welfare Carrying out targeted poverty alleviation
 The environment	Supporting ecological protection Supporting energy conservation and emission reduction	Advocating environmental protection Encouraging green investment

Value Investment for a Better Future

Confronted with external changes and challenges, SCGC insists on seeking innovative enterprises and actively extends the equity investment industry chain for diversified development. Moreover, the Company leverages its resource advantages in project reserve, industrial layout, government relations, brand effect and other aspects to nurture value for a better future.

As of the end of 2019, SCGC had managed

158 funds with a subscribed capital of

RMB **299.446** billion.

In 2019, SCGC had

18 funds

newly established or newly under entrusted management, with an increase of

RMB **17.401** billion in scale.

In 2019, SCGC invested

RMB **7.231** billion in

154 projects.

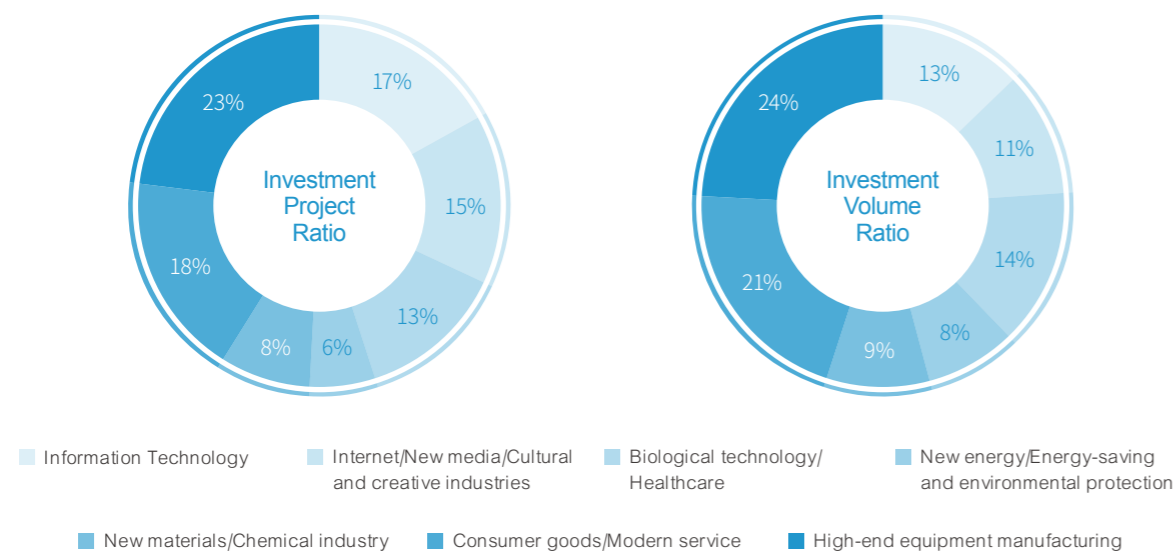


Driving Industrial Development

As a Chinese venture capital firm, SCGC shoulders the historic mission of fostering national industries and promoting innovation, entrepreneurship and high-tech industry development. The Company strategically invests in seven industries, including information technology, Internet, biotechnology and so on to accelerate the development of national strategic emerging industries through effective and scientific resource allocation.

Supporting Emerging Industries

SCGC has established a platform for incubating emerging industries of strategic importance and formed a cluster of strategic emerging industries that incubate global cutting-edge technologies, providing new momentum for transformation of national economy, industrial integration, transformation and upgrade, technological innovation, and development of emerging business modes.



Case Establishing BVCI as the second largest shareholder to support the development of sophisticated industries in Beijing

In order to promote the application of advances in science and technology and support the optimization and scale expanding of state-owned capital deployment, SCGC, as the second largest shareholder, initiated the establishment of Beijing Venture Capital Investment Co., Ltd. (hereafter referred to as "BVCI") in January 2019. BVCI specializes in direct investment and fund investment management. With the focus of sophisticated industries and projects, BVCI supports the development of technological innovation-based SMEs and the transformation & upgrade of state-owned companies, and initiates the establishment of the investment fund for sophisticated industries and the investment fund for mergers & acquisitions of state-owned companies. SCGC leverages its advantages to support the development of BVCI and to help Beijing build an economic structure for sophisticated industries. With a win-win goal, SCGC joins hands with stakeholders to contribute to the development of venture capital and economic and social prosperity.

Case Initiating the establishment of VC angel fund to inject momentum into emerging industries in Shenzhen

SCGC established the first venture capital angel fund - Shenzhen Laterite Angel Equity Investment Fund Partners Corporation (Limited Partners) ("Laterite Angel Fund"). Laterite Angel Fund mainly invests in strategic emerging industries, future industries and key industries of Shenzhen. It focuses on areas including the Internet, information technology, new materials, healthcare, high-end consumption and other emerging industries. Laterite Angel Fund has provided more financing options for innovative start-ups in Shenzhen, and injected a new driving force for industry development.

Facilitating Local Industrial Upgrade

SCGC has taken the lead to explore the model of government-guided funds and established a national network of government-guided funds with the largest coverage in the industry. SCGC has made scientific resource allocation to support the innovation-driven development of SMEs and help them occupy a leading position in the industry. SCGC has invested in lots of outstanding companies to help them get listed, contributing to the upgrade of local industries, the improvement of people's livelihood, and the development of regional economies.



Case Newly joining five sub-funds to better serve the strategy of "Dual Drive of the Two Economic Areas"

In 2019, to better play the leading role of Shenzhen as a special economic zone and a national innovative city, the government-guided funds focused on the development of Guangdong-Hong Kong-Macao Greater Bay Area and the building of Shenzhen into a pilot demonstration area of socialism with Chinese characteristics, further implementing the strategy of "Dual Drive of the Two Economic Areas". SCGC newly joined five sub-funds as follows.

Shenzhen Boyue International Investment and Loan Fund Co. Ltd.: Focusing on emerging industries of strategic importance and striving to introduce international high-end technologies, talents, and project resources to Shenzhen to achieve capital export and project import.

Shenzhen Qingsong SMEs Development Fund Partners Corporation (Limited Partners): Aiming to promote entrepreneurship and innovation of SMEs, guiding social funds to invest in micro-, small- and medium-sized start-ups in preliminary and mid-term development in Shenzhen, and integrating resources to provide targeted support to accelerate their development.

Shenzhen Guoying Wealth Industrial Investment Fund (Limited Partners): Implementing the national poverty alleviation policy of "industry + industrial investment fund". The industrial poverty alleviation model featuring "industrial fund + leading companies + resources in poor areas" is adopted to support the industrial development of poverty-stricken areas and help lift poor people out of poverty.

Shenzhen Huigang Investment Partners Corporation (Limited Partners) (Royole Fund): Investing in Royole Corporation with a special fund - Royole Fund. Royole Corporation is one of a few technology companies that specialize in flexible OLED technology. Royole's proprietary Ultra Low Temperature Non-Silicon Semiconductor Process (ULT-NSSP) technology provides a chance for China's display technology to make a breakthrough in the field of flexible OLED.

Advanced Manufacturing Industry Investment Fund II (Limited Partnership): Investing in major projects in advanced manufacturing and key industries including smart manufacturing, high-end medical treatment, rail transport equipment and high-end ships, etc., promoting the transformation of China from a big nation of manufacturing to a strong nation of manufacturing and from "Made in China" to "Created in China", and accelerating China's manufacturing to reach the mid- and high-end of global value chain.



As of the end of 2019, among all the investment projects of Shenzhen Government-guided sub-funds, there were

791 Shenzhen's projects
accounting for
39.26% of the total.

Making a Better Life Possible

With the rapid development of China's economy, it has become an urgent need to meet people's aspiration for a better life. To meet higher standards and aspirations for a better life, SCGC invests in healthcare, military-civilian integration and other areas, making a better life possible.


Guaranteeing Talent Housing

Talents are the key factor and core competitiveness of modern city development. In March 2019, Hainan Provincial Phase I Talent Rental Housing Asset Support Special Plan (hereinafter referred to as the "Hainan Phase I Talent Rental Housing REITs") was established, with SCGC Real Estate Fund Management (Shenzhen) Co., Ltd. as the general coordinator and financial adviser. This is the second talent rental housing REITs in China, following the REITs of Shenzhen Capital Group Co., Ltd. and Shenzhen Talents Housing Group Co., Ltd. (Real Estate Investment Trust). It is also the first provincial talent rental housing REITs in China.

The successful launch of Hainan Phase I Talent Rental Housing REITs gives full play to the role of talent housing as a policy instrument of expanding opening up and attracting investment and talents. It also helps Hainan Province use existing houses to support talent housing and facilitate the implementation of the action plan of "Attracting a million talents to Hainan".

Protecting Life and Health

The booming development of the healthcare industry provides a shield to protect people's life and health, and is also the focus of building a healthy China. In July 2019, SCGC initiated the establishment of the first healthcare industry fund - Shenzhen Laterite Healthcare Industry Equity Investment Fund Partners Corporation (Limited Partners) (hereafter referred to as "Laterite Healthcare Fund"). Laterite Healthcare Fund has over RMB 2 billion under management and invests in high-quality projects in all stages and sub-sectors of the healthcare industry. The fund focuses on innovation and growth of China's healthcare industry, and conducts systematic screening to seek optimal investment chances to optimize the medical industry layout. Moreover, the fund actively carries out post-investment management to maximize the value of invested companies.




Case

Making high-quality healthcare more accessible and affordable

SCGC has invested in Mindray - a leading global developer, manufacturer, and supplier of medical devices. Mindray provides solutions in three core businesses: Life Information & Support, In-Vitro Diagnostics and Medical Imaging. With cutting-edge technology innovation, Mindray delivers improved product solutions and helps make healthcare more accessible and affordable around the world.

Safeguarding Military and Civilian Security

The military-civilian integration strategy is a strategic way to achieve the goal of building powerful military in the new era. SCGC has established a military-civilian integration fund to invest in military-to-civilian, civilian-military and military-industrial mixed-ownership reform projects. The fund seeks and invests in civilian and military-civilian innovation enterprises to promote the development of the military-civilian integration industry. The high-tech innovation and military-civil integration contribute to a new force in safeguarding military and civilian security.




Case

Empowering commercial rocket launching enterprises

SCGC has invested in Aerospace Science and Technology Rocket Technology Co., Ltd. ("ASTRT"), a leading and the first company in China that provides the commercial rocket launch service. With the backbone of "Kaizhou (KZ)" series new carrier rockets, ASTRT specializes in the design, R&D, production and sales of carrier rockets, and the R&D, manufacturing, trial and launch services of spacecrafts. After investment, SCGC actively helps ASTRT with the equity initiative plan and other businesses and provides the company with several value-added services. ASTRT has filled in the gap of commercialization of solid fuel carrier rockets, laid a foundation for China's satellite internet industry development, and expanded channels for commercial aerospace development.

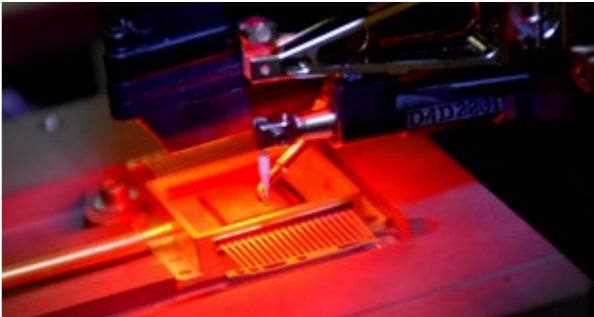




Case


Supporting the development of local non-cooled infrared chips

Yantai Raytron Technology Co., Ltd. ("Raytron") is a leading supplier of non-cooled infrared sensors and components in China. Its products include chips, instruments, movement assemblies and complete devices, reaching domestic and global leading levels in terms of comprehensive performance. SCGC has launched two rounds of investment in Raytron. Moreover, SCGC leverages its military and industrial resources to help Raytron access national research subsidies. In July 2019, Raytron successfully got listed on Sci-Tech Innovation Board (STAR Market) of Shanghai Stock Exchange (SSE).



Sharing a Blue Sky


SCGC takes new energy/energy saving and environmental protection industry and new materials as one of its key investment areas. The investment scope covers new energy vehicles, photovoltaics, energy storage, fuel cells and other fields, contributing to the development of green, low-carbon and circular economy. These efforts contribute to a blue sky, lush mountains and lucid waters.



Case

Investing in new energy battery industry

Contemporary Amperex Technology Limited ("CATL") is a global leading electric-vehicle (EV) battery system supplier. CATL focuses on the R&D, production and sales of new energy vehicle battery systems and energy storage systems, striving to promote new energy revolution globally. SCGC has invested in CATL and provided value-added services such as listing application. CATL has solved key technical problems of the EV industry, which saved new energy EVs from battery concerns.



Case

Investing in alternative energy to benefit the public

Mingyang Smart Energy Group Corporation ("Mingyang Smart Energy") is the first company invested by SCGC that got listed on stock exchange in 2019. As a Chinese leading smart energy company with global reach, Mingyang Smart Energy specializes in new energy high-end equipment manufacturing, new energy power station investment operations, and smart management.

SCGC invested in Mingyang Electric in 2007, the parent company of Guangdong Mingyang Wind Power Industrial

Group Co., Ltd. (Mingyang Wind Power). After investment, SCGC divided investment equities into Mingyang Electric and Mingyang Smart Energy, in order to support Mingyang Smart Energy go public overseas. In January 2019, Mingyang Smart Energy was listed on Shanghai Stock Exchange (SSE). With innovative technologies and professional advantages, Mingyang Smart Energy delivers renewable energy to the public as alternative energy, which is a new way to propel green development in economic society.

Empowering Enterprise Development

To respond to the needs of invested companies in strategic planning, talent introduction, industrial docking, etc., SCGC adheres to the philosophy of “30% on investment, 70% for services”, and has established an all-round value-added service system to provide invested companies with standardized supervision, resources integration, management consultation, asset operation guidance, communication and collaboration, training and coaching, and other services. With these efforts, SCGC aims to help invested companies share resources and information with upstream and downstream of the industrial chain, governments and financial institutions etc., thereby contributing to the sustainable development of invested companies.

As of the end of 2019, SCGC had delivered value-added services for over

200 companies.

As of the end of 2019, SCGC had helped

157 invested companies get listed on open capital markets at home and abroad.

As of the end of 2019, SCGC had invested

RMB 36.20661 billion in 930 companies cumulatively.





In 2019,
4 invested companies
of SCGC were listed on Venture 50
Fengyun List

2
listed on Venture 50 Xinya List

13
listed on Top 70 Innovative
Enterprises in Shenzhen

7
listed on Top 50 in Shenzhen of
Most Valuable Investment New Star
Enterprises in China-2019 Hurun
China Rich List



As of the end of 2019, SCGC had
helped

98
key companies solve management
problems

organized **16**
trainings, with over a thousand of
participants

organized **40**
entrepreneur exchange activities,
with thousands of participants
cumulatively

Meeting Financial Needs

For enterprises, especially SMEs, financing difficulties are the main pain point that hinders their development. To respond to the financial needs for enlarging scale and enhancing R&D, etc., SCGC has invested in enterprises in different development periods, such as start-up, growth and mature periods. Our timely and adequate financial support will inject new vigor into the development of invested companies.

165 Investment projects	457 Investment projects	300 Investment projects	8 Investment projects
RMB 9,248.82 million	RMB 20,296.95 million	RMB 6,635.28 million	RMB 25.55 million
Investment volume	Investment volume	Investment volume	Investment volume
Pre-IPO Period	Growth Period	Start-up Period	Others

Note: 1.Data is updated as of the end of 2019.
2.Others include convertible bonds, spin-offs and other projects.

Improving Management

SCGC attaches great importance to post-investment management and value-added services for invested companies. By conducting regular supervision, management training and other activities, we continuously motivate and help them improve operational management capability, with the aim of facilitating the robust development and sustainable value increment of invested companies.



Organizing training courses of operational management, tax planning, etc.



Participating in Management Decision-making

- After investment, SCGC dispatches directors, supervisors, and financial controllers to attend shareholders meeting, Board of Directors, and Board of Supervisors meetings of the invested companies, to vote on relevant business decisions, and to achieve growth in compliance in terms of business, regulations, and management.



Enhancing Supervision and Guidance

- After investment, SCGC conducts follow-up management and field research, and supervises and guides companies in proper use of investment, corporate governance, financial status, and operational status, etc. Moreover, the Company timely detects potential problems, summons relevant personnel to discuss countermeasures, and supervises the implementation of these measures.



Conducting Joint Party Building and Governance

- The Company leveraged the advantages of Party building of state-owned venture capital institutions and promoted the establishment of Party organizations in 17 invested non-state-owned companies. Focusing on their main business and operational needs, the Company held 23 joint Party building activities to help invested companies solve problems encountered in operation and internal governance.



Improving Management Capability

- To meet the actual needs of invested companies, SCGC carries out entrepreneur exchange meetings, study trips and other activities to improve entrepreneurs management awareness, expand their horizons, and stimulate entrepreneurship and innovation.
- In response to the need of the invested company for improving governance, finance, taxation, marketing, human resources and other aspects during operation and management, SCGC regularly organizes thematic training and exchange activities for senior executives to help the invested companies improve management.



Holding the SCGC "Future Star" Senior Corporate Seminar

Integrating Diverse Resources

SCGC attaches great importance to building a communication bridge and connecting channel for invested companies. By integrating resources of upstream and downstream of the industrial chain and intermediaries, the Company endeavors to help meet the diversified needs of invested companies in information publicity, industrial integration, human resources, promoting multi-party cooperation and mutual benefits.

Information Publicity

Through holding industry forums, exhibitions and other activities offline, as well as building “SCGC Display Platform for Invested Companies” online channels on the official website and the WeChat official account, SCGC Enterprise Service Center, we release important updates of invested companies and enhance information publicity to improve their reputation and influence.

9797

followers of the WeChat official account of the SCGC Enterprise Service Center

354,400

cumulative views

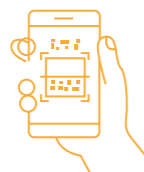
82

updates of invested companies released



Case SCGC Display Platform for Invested Companies to achieve information sharing

SCGC has built SCGC Display Platform for Invested Companies and set up “Enterprise Album” Column on it to encourage invested companies to upload corporate information in a timely manner, and to introduce the company information of 797 invested companies by listing status, industry and region, including company profile, products, development history and contact information, etc. This move helps investors and invested companies gain better understanding of each other. Moreover, “Resources Sharing” Column is set up to enable invested companies to release demands, enhance product promotion, and conduct intermediary service, which builds a bridge between enterprises and increases the possibility of resources sharing. Up to now, 24 pieces of information have been released.



[Scan the QR]

Visit the SCGC Display Platform for Invested Companies

Industrial Collaboration

SCGC actively holds the annual investment meeting and other conferences in the investment industry, leads invested companies to visit leading companies and participate in series activities of leading companies, and helps them find chances of industrial collaboration, expand sales channels, and enlarge market share.

Establishing Collaboration Channels

- Holding the annual investment meeting in 2019, the First LP Conference of Haihe Laterite Fund, the 11th Western China International Capital Forum and other industrial conferences to build a platform of in-depth exchange and collaboration for invested companies and partners.
- Leading invested companies to participate in Alibaba ONE Business Conference, Huawei Supplier Conference, Huawei “Developer Innovation Support Program” and other activities.

Expanding Sales Network

- Organizing invested companies to visit leading companies in the industry, helping them receive potential high-quality customer resources, promoting invested companies to be listed among suppliers of leading companies, and improving product sales and service performance.



Signing a strategic cooperation agreement with TCL to seek chances of industrial integration in the TCL industry chain



Case

Holding the annual investment meeting to promote industrial integration

SCGC held the annual investment meeting in 2019, with the theme of “With 20 Years of Sheer Endeavor, SCGC Sails for Excellence”. The meeting gathered resources from all walks of life and contributed to the development of invested companies. Heads of government departments, experts, entrepreneurs, shareholders, fund LPs and representatives of partners were invited to discuss the future development of innovative enterprises, analyze macro policies and industry trends, and integrate resources of all parties. Forty booths were set up concurrently to provide a product display platform for invested companies. During the meeting, 5 sub-forums on information technology and smart manufacturing, internet and consumption, new materials and new energy, healthcare industry, capital and mergers and acquisitions were organized; the “Information technology and smart manufacturing” closed-door industrial matchmaking meeting was also held to promote in-depth industrial discussion and help some enterprises reach cooperation intentions, promoting the development of industrial integration.



Holding the SCGC Annual Investment Meeting in 2019

Government Communication

SCGC ramps up efforts to build an exchange and interaction platform for invested companies and governments, leads invested companies to participate in governments investment promotion activities in Yichang City, Jiangbei New District of Nanjing City, Anqing City, Shenshan Special Cooperation Zone of Shenzhen City, etc. Through introducing government resources, SCGC effectively helps invested companies solve problems of land use, service network and financial needs, supports these enterprises achieve long-term development, and facilitates the transformation of local economy and industrial upgrade.

Talent Introduction

SCGC holds talent fund project roadshows, organizes enterprises to participate in job fairs, contact with headhunter companies, and builds enterprise-talent platforms to help invested companies expand talent channels and build a strong talent pool.

In 2019, SCGC held 5 talent project roadshows in the Greater Bay Area, with nearly

500 participants.

Organizing Talent Project Roadshows

Continuing to organize talent project roadshows in the Greater Bay Area to attract high-quality talent projects for innovation and entrepreneurship, and building a “1+1+N” service model of “talent fund + talent project roadshow + talent innovation park and service organization” to meet the needs of innovative talents.

Organizing Campus Recruitment

Organizing “SCGC Invested companies Campus Recruitment” to help invested companies organize campus recruitment in Tsinghua University and other renowned universities, build talent pools of Tsinghua University, Renmin University of China and other prestigious universities, and share graduate resources to help invested companies attract outstanding graduates.

Collaborating with Talent Service Organizations

Seeking professional recruitment platforms or talent service organizations that specialize in talent reserve, selection, recommendation, etc., to provide quality, credible, timely and efficient services to meet the talent needs of invested companies.

Releasing Talent Recruitment Information

Releasing the “Call for Talent Recruitment Partners” and posting a series of “Recruitment Notices” on the WeChat official account of SCGC Enterprise Service Center to improve recruitment efficiency and matching with vacant positions of invested companies, and promote talent recruitment of invested companies.

Building a Capital Engine

SCGC proactively assists invested companies in financing for listing, mergers and acquisitions, as well as industrial and financial integration, innovates in investment and financing channels, and optimizes capital layout. The Company aims to inject new vigor into the steady and healthy development of invested companies with high-quality financial resources.

Supporting Enterprise Listing

In consideration of policy changes of capital market in different periods, SCGC provides capital market training for invested companies, guides them to select the best listing location, organizes reviews according to the listing requirements, and standardizes management of finance, legal affairs, human resources and other aspects. Furthermore, the Company makes targeted efforts to collaborate with brokers, law firms, intermediaries, and domestic and foreign stock exchanges, so as to help companies get listed and also contribute to the development of the capital market.

Organizing Trainings to Prepare for Listing

Through online and offline channels, SCGC organizes trainings to provide guidance for invested companies that intend to be listed on SSE, SZSE, HKEX and other stock exchanges at home and abroad. Experts from renowned investment banks, accounting firms and law firms are invited to share views and information on market development, interpretations of listing rules, focuses of listing review process. The Q&A session is also set up to answer questions about the listing rules and requirements of different capital markets and different industries.

Unblocking Listing Channels

SCGC cooperates with Huatai United Securities, Guosen Securities and other brokers in securities underwriting and sponsorship, and cooperates with accounting firms and law firms in financial audit, legal and regulatory consulting, etc., to provide high-quality value-added services for invested companies to prepare them for listing.



Holding training courses on HK-share IPO policy, issuance and finance, etc.



As of the end of 2019,

157

invested companies listed on the domestic and foreign open capital markets, of which

117

listed on the domestic A-share market

40

listed on overseas markets such as the United States and Hong Kong

5.94 %

Proportion of A-share listed enterprises to total A-share listed enterprises in China

11.43 %

Proportion of investment enterprises in Sci-Tech Innovation Board to total enterprises in Sci-Tech Innovation Board China



Case

Regularly holding the IPO Accelerator Training Camp to help enterprises go public

SCGC regularly organizes the IPO Accelerator Training Camp. Senior experts from China Capital Market Institute (CCMI) and stock exchanges are invited to teach IPO courses. Exclusive sharing sessions, enterprise sharing and venture capital master sharing activities are also held to help invested companies learn how to achieve growth and prepare for listing. In April 2019, SCGC held the IPO Accelerator Training Camp. Experts from stock exchange, authoritative sponsors and intermediaries were invited to explain A-share and HK-share IPO considerations and review requirements, as well as listing rules of Sci-Tech Innovation Board. Moreover, the camp organized a field tour of the Listing Hall of Shenzhen Stock Exchange and provided professional and effective guidance on listing, which helped invested companies take a solid step towards listing.



Organizing the IPO Accelerator Training Camp

Mergers and Acquisitions

SCGC regards mergers and acquisitions (M&A) as an important way of investment exit from invested companies. The Company helps invested companies forge bonds with prospective investors and provides both sides with asset operation services such as mergers and acquisitions. These efforts will facilitate both sides to improve the industrial layout and explore new directions for all-round and multi-functional development.



Industry- Finance Integration

SCGC keeps in-depth communication with invested companies and helps them seek financing from China Merchant Bank, China Construction Bank, SPD Bank and other banks, as well as investment institutions. In addition, SCGC launches two business prospectus (BP) channels, i.e., "WeChat official account terminal" and "PC terminal", to collect financing needs of invested companies and investment intentions of investors, and explore optimal financing plans for invested companies.

In 2019, SCGC helped FORTUNETONE collaborate with iFLYTECK, and helped DOBOT collaborate with SPD Bank for industry-finance integration, and obtain financing credit, mitigating financial difficulties of invested companies.



Organizing the high-quality post-investment project roadshow of SCGC

Enhancing International Cooperation

According to *Several Opinions of the State Council on Promoting the Sustainable and Sound Development of Venture Capital*, competent venture capital enterprises are encouraged to “go global” in an active and sound way. Under such backdrop, SCGC is dedicated to deepening international development strategy, making full use of domestic and foreign resources, and leveraging advantages to enhance international cooperation. Moreover, SCGC promotes international fundraising, investment and project exit, striving to become a global leading investment group that takes venture capital as the core business.

As of the end of 2019, SCGC had established

4 international funds.

As of the end of 2019, SCGC had invested

RMB **1,637.94** million in overseas projects.

As of the end of 2019, SCGC's investment projects had been launched in

16 capital markets across the globe, including

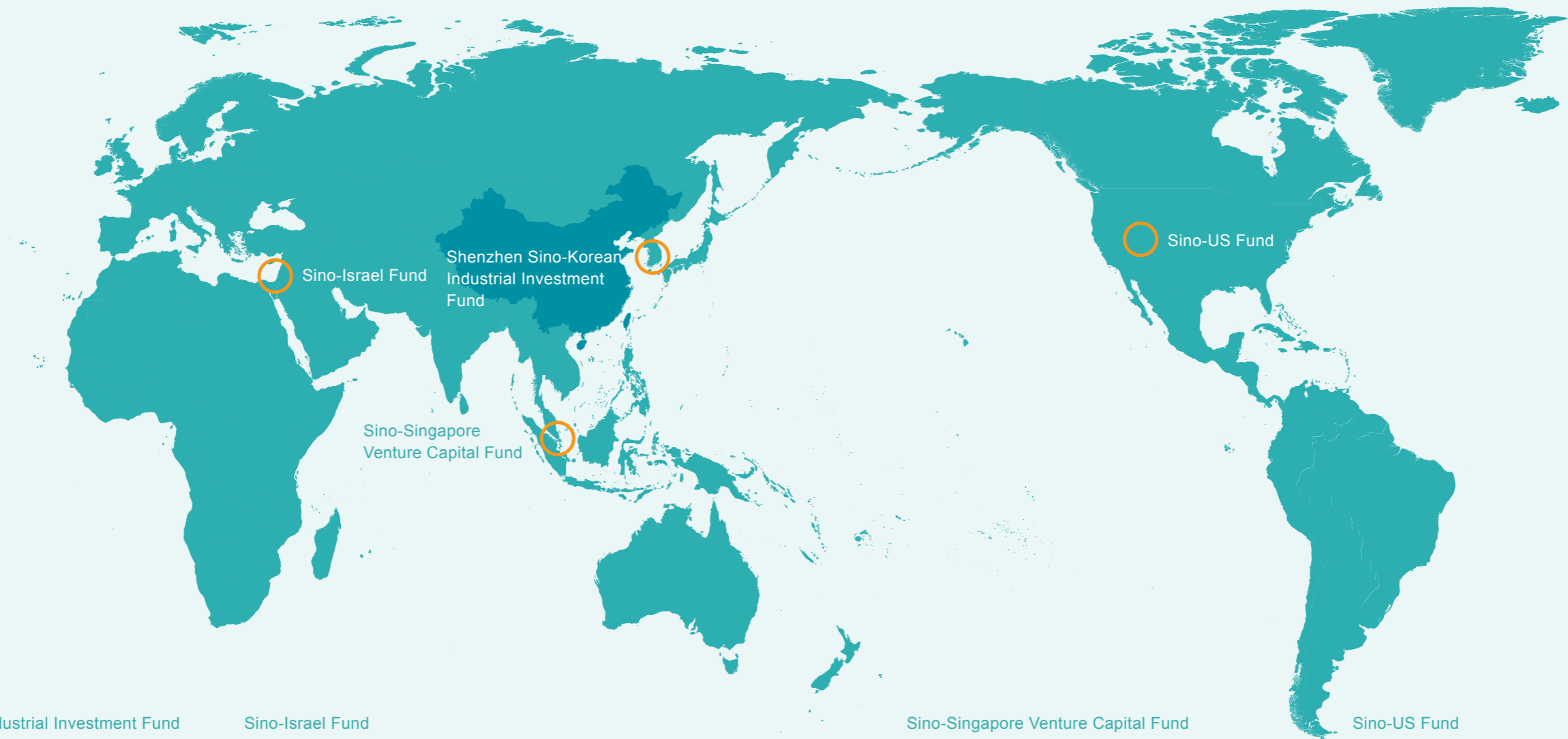
40 enterprises listed on overseas capital markets.



Developing Overseas Market

SCGC launches the international development strategy and takes the Belt and Road Initiative as a crucial opportunity to improve international business cooperation and deployment. The Sino-foreign joint-venture funds are established for fundraising and to invest in high-quality projects of cutting-edge technologies, so as to help invested companies realize listing overseas and trans-border development, and promote domestic and overseas resource complementation and mutual benefits.

In 2019, SCGC actively prepared for the establishment of Shenzhen RMB International Investment and Loan Fund, initiated the raising of international investment funds, conducted a feasibility study on establishing the SOSV Fund, and initiated the liquidation of the Sino-Singapore Venture Capital Fund and Sino-Israel Fund.



Shenzhen Sino-Korean Industrial Investment Fund

Shenzhen Sino-Korea Industrial Investment Fund is the first industrial investment fund initiated by government agencies of China and South Korea. The fund was established by SCGC, SV Investment and Fortune Link in May 2016, with USD 100 million in the first phase of investment. The fund leverages the policy and regional advantages of Qianhai in pilot finance projects, and makes full use of the project resources of the fund shareholders in Chinese and Korean capital markets and VC industry. With the focus of Bio-pharma, consumption, TMT, and culture industry, the fund has established a bridge for the financial markets of both counties.

Sino-Israel Fund

SCGC and Ainsbury Properties Ltd. established the Sino-Israel Fund in 2008, with a scale of USD 20 million. The fund mainly invests in science and technology enterprises with high growth potential. By helping invested companies introduce Israels high technologies, develop international market and get listed on international capital market, the fund strives to maximize the value of invested companies.

Sino-Singapore Venture Capital Fund

It is the first Sino-foreign venture capital fund established in China. It was jointly established by United Overseas Bank Limited, Technopreneurship Investment Pte Ltd. and SCGC in 2002, with a scale of USD 50 million. To promote the development of China's high-tech industry, the fund mainly invests in science and technology enterprises with high growth potentials, covering information technology, biological medicine, new materials and other industries.

Sino-US Fund

It is the largest parallel fund co-established by SCGC and other institutions. Established in 2016, the fund manages about RMB 4.01 billion. It adopts a parallel framework of domestic and overseas funds, and specializes in venture capital investment of high-tech enterprises and cross-border mergers & acquisitions. The fund has successively invested in renowned US high-tech enterprises such as Desktop Metal and Ambiq Micro.

Enhancing Win-win Cooperation

SCGC carefully screens and selects overseas cooperation organizations, explores a diversified Sino-foreign cooperation model, and cooperates with international venture capital institutions and overseas enterprises to propel the implementation of projects. By this way, it will promote the coordination and innovation-driven development of both parties, facilitate the flow of the worlds cutting-edge technologies, innovative products, business models and talents to local market, and contribute to the win-win cooperation in a larger scope.

In 2019, SCGC promoted the strategic cooperation with SOSV, SV Investment and other advanced international venture capital institutions and investment companies, and shifted the focus of investment destinations to Israel, the United Kingdom, Japan, etc. Moreover, SCGC attracted prospective overseas projects to settle in China, and assisted Codaship GmbH to set up a subsidiary in Shenzhen and establish cooperative relationships with renowned Chinese enterprises.



SCGC signs a letter of intent regarding cooperation with SOSV to jointly establish and manage VC funds for projects in angel investment and growth stages

Case Investing in the ONT project - the first investment in the United Kingdom

SCGC actively explores international investment projects. After scientific and rigorous pre-investment risk identification and investment decision-making, SCGC selected the project of Oxford Nanopore Technologies Limited (ONT) as one of its investment targets. Established in 2005, ONT boasts a variety of sequencing equipment ranging from micro portable to large-scale high-flux models. These products enable anyone to rapidly complete genetic analysis in anyplace at a lower cost. In December 2018, SCGC invested in the ONT project, which was the first UK investment project of SCGC. After the investment, we continued to help ONT negotiate with renowned brokers on the possibility of subsequent financing and listing in London, Hong Kong and other regions. This laid the foundation for SCGC to further develop the UK and other overseas markets.



Strengthening Communication and Exchange

SCGC actively organizes and participates in international high-end industry exchange and study tours, with a view to strengthen communication with international peers and partners, and jointly promote the growth of domestic venture capital talents. These efforts will also help enhance the international influence of local venture capital and deepen the international development of SCGC.



Meeting with the delegation led by the Minister of Ministry of Finance of Malaysia and exploring the possibility of enhancing mutual cooperation on fund establishment and project investment

Case Organizing the 2019 Entrepreneur Business Tour in the UK

In order to broaden the horizon of entrepreneurs and help invested companies and cooperative organizations access international resources and development opportunities, SCGC organized the 2019 Entrepreneur Business Tour in the UK from November 25, 2019 to December 4, 2019, to learn the cutting-edge innovation and new finance. During the tour, the delegation visited London Stock Exchange, the British VC institution IP GROUP, Cambridge University and other institutions for exchange and learning. At London Stock Exchange, typical experience of the Shanghai-Hong Kong (SH-HK) Stock Connect, Global Depository Receipts (GDRs), and VC institutions IPO on London Stock Exchange were shared. At IP GROUP, the applications of UKs cutting-edge technological advances in China were shared and discussed. At Cambridge University, the delegation attended courses of financial innovation, technological investment, business innovation and overseas investment, etc. The entrepreneurs in the tour expressed that they have learned from advanced international experience and would apply it in business management in future.



The delegation visits London Stock Exchange.

Nurturing Innovation Talents

Employees are the core driving force for the development of venture capital firms. Adhering to the strategy of “Talent development and incentive”, SCGC has established a personalized training mechanism and incentive system for employees, and provides them with a multi-channel career development path. We care for our employees and creates an inclusive and innovation-enabled working atmosphere.

As of the end of 2019, SCGC had

448 employees

including **149** female employees.

In 2019, the total hours of employee training reached

6,330

In 2019, the number of new employees was

39



4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



Promoting Employee Growth

SCGC continuously improves the personnel training system, optimizes the performance evaluation mechanism, and stimulates the vitality of talents, to promote both employee development and corporate development.

Employee Cultivation

SCGC has established a multi-level, multi-channel and targeted training system to improve employees' strategic thinking and operational management capability, preparing them for future career development.



RMB **400,400**
invested in employee training in 2019

9
SCGC Venture Capital
Lectures held in 2019

98.5 %
trainee satisfaction

New Employee Cultivation

Systematic Course Learning

Helping employees gain an overall understanding of the history, corporate culture, management tools & methods, strategy, and business status of SCGC.

Outward Bound

Organizing outward bound activities and establishing a pre- and post-training trainee communication platform to help employees integrate into the team and enhance the sense of belonging.



Regularly holding SCGC Lecture



Teaching interactions at SCGC Lecture

Personnel Pyramid Construction

Training System	Trainee	Training Course	Training Method	Training Value
Management Capability Enhancement System	Middle management	<ul style="list-style-type: none">• Strategy and corporate culture course• Organization and operation course• Professional capability enhancement course• Leadership course	<ul style="list-style-type: none">• SCGC Lecture• Internal brainstorming• External training• Sharing by senior experts in the industry/responsible persons of invested companies	Improving the strategy planning, operational management, investment and team building capabilities of middle management
Professional Capability Enhancement System	Employees in professional sequences	<ul style="list-style-type: none">• Fundraising course• Investment course• Post-investment management course• Project exit course	<ul style="list-style-type: none">• SCGC Lecture• External training• Internal exchange and sharing	Improving the professional capability of employees in professional sequences
General Capability Enhancement System	All employees	<ul style="list-style-type: none">• General skills training course• Professional skills training course	<ul style="list-style-type: none">• SCGC Lecture	Improving the general knowledge and professional skills of all employees, and helping employees improve work efficiency and output

Post-doctor Cultivation

SCGC values the integration of project research and corporate development, and improves the engagement of post-doctors in the corporate business. Through hiring prestigious scholars and senior experts in the industry as post-doctor mentors, the Company provides favorable research conditions for post-doctors to conduct project research and output application, preparing senior professionals for the venture capital industry.

Talent Incentive

In 2019, SCGC launched the pilot program of KPI & OKR performance management and retained certain key performance indicators to motivate employees to forge ahead with explicit goals. Moreover, the Company authorized departments to set up their own work targets to stimulate employees' initiative and innovation potentials, which helped employees foster the sense of ownership.





77
post-doctors recruited by the end of 2019

1
China Natural Science Foundation
Youth Fund Project won in 2019

8
China Postdoctoral Science
Foundation Funded Projects won in 2019

77

post-doctors recruited by the end of 2019

1

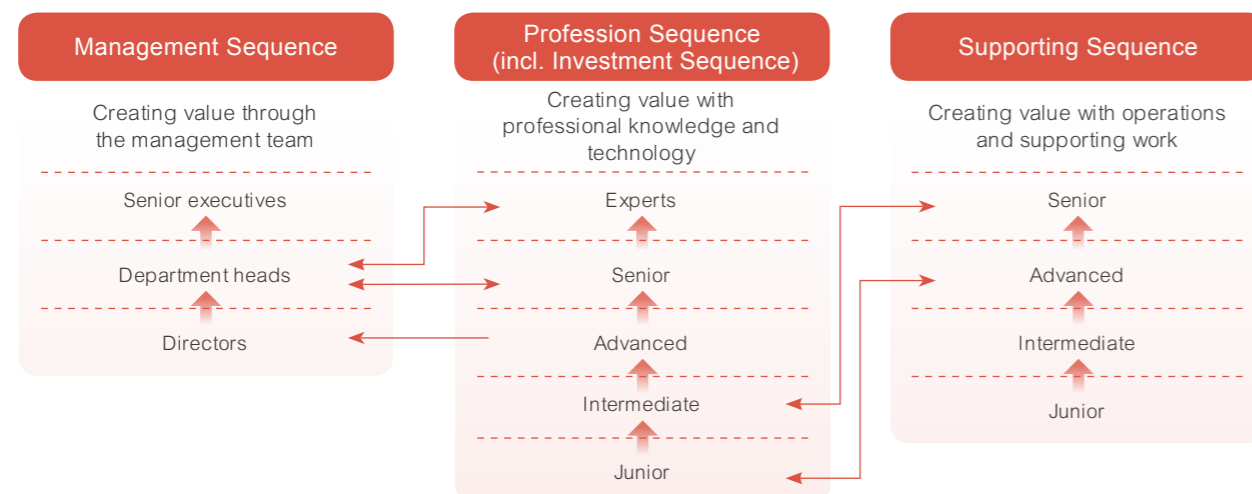
China Natural Science Foundation
Youth Fund Project won in 2019

8

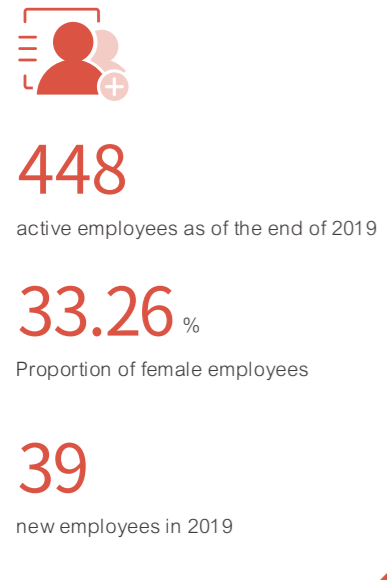
China Postdoctoral Science
Foundation Funded Projects won in 2019

Unblocking Career Development Channels

SCGC provides employees with multiple-channel career development paths by establishing the vertical development channels of management sequence, profession sequence (including the investment sequence) and supporting sequence, as well as fosters the shift mechanism that supports the horizontal development of different departments or sequence positions to other departments or sequence positions with similar qualifications. We are trying to make sure that everyone at SCGC has chances to unleash their talent.



Multiple-channel career development paths

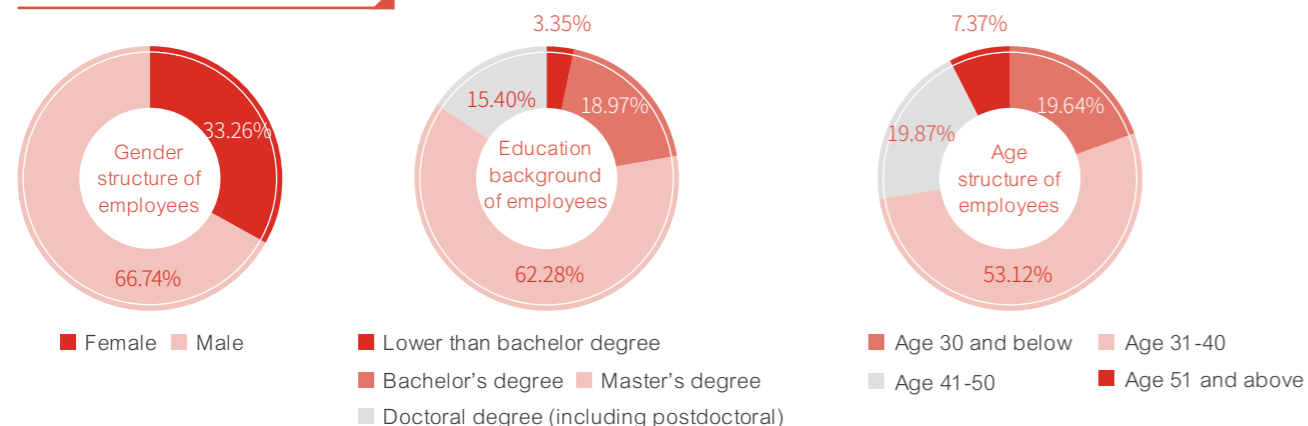


Protecting Employee Rights and Interests

In strict accordance with *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China*, and other laws and regulations, SCGC recruits employees on an equal basis, provides competitive remuneration and benefits for employees, and actively builds the employee communication channel to protect the rights and interests of every employee.

Diverse Recruitment

At SCGC, we treat employees equally. According to the unified position rank system and remuneration system, we set the employee salaries, regardless of employees' gender, ethnicity, age and health status. We adhere to the market-oriented recruitment and employment, and adopt the test-based admission to provide equal opportunities for fair competition.



Democratic Management

A variety of methods are adopted to investigate the hot issues and concerns of departments (regions) and employees, including setting up feedback boxes, distributing feedback forms, visits, interviews, and new media messages, etc. In addition, we actively coordinate with departments to seek solutions, and timely respond to and properly handle employees' needs.

Compensation and Benefits

SCGC improves the salary distribution system through benchmarking against leading enterprises and provides competitive salary and benefits to increase employees' enthusiasm for work.

Strictly implementing the national legal salary standards and social insurance regulations, and purchasing the housing provident fund and enterprise annuity for employees.

Implementing the floating salary and performance linkage mechanism to fully respect the value contribution of employees.

Implementing the paid sick leave system to guarantee the life quality of employees during illness.

Implementing the employee annual health checkup plan and establishing employee health archives.

100 %
Coverage of employee social insurance in 2019

100 %
Coverage of medical examination in 2019

4 %
Employee turnover rate

Building a Happy SCGC

SCGC regularly carries out cultural and sports activities, such as badminton game, basketball game, football game, hiking and photography. By creating a thoughtful, healthy and comfortable working environment, we improve team cohesion and employees' sense of happiness.



Yoga class



Photography



Football game



Hiking



"Building up a strong body and playing a model role" thematic League Day

Jointly Building a Beautiful Homeland

The environmental protection and social harmony have become the major issues facing human society along with the rapid economic and social development. We advocate the sustainable development of SCGC and the society, implement green operations, attach importance to giving back to the society, and join hands with employees, partners and other relevant parties to build a harmonious and beautiful homeland.

As of the end of 2019, a total of

RMB **4.53** million

had been invested in poverty alleviation.

As of the end of 2019, a total of

5 employees

had been dispatched for poverty alleviation in villages.

In 2019, the total tax payment was

RMB **799.8** million.



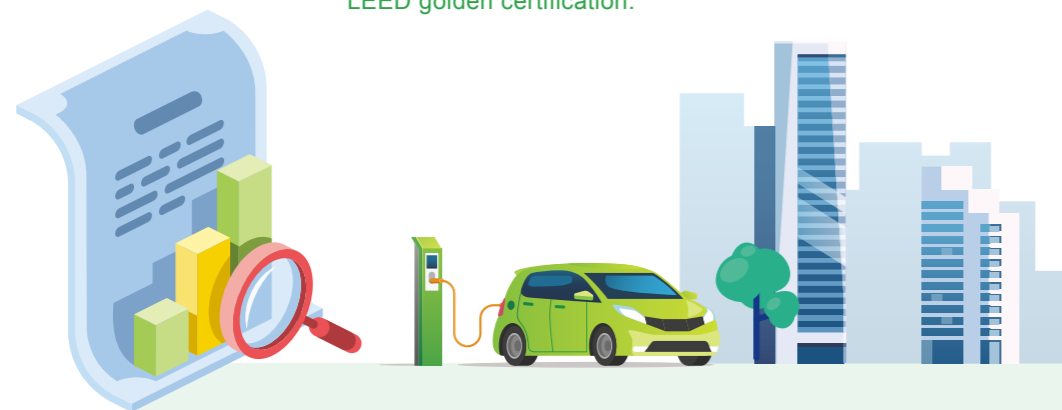
Advocating Green Development

SCGC integrates green development into the entire process of business development and strives to spread the environmental protection philosophy to promote the green development of cities.

Practicing Green Operations

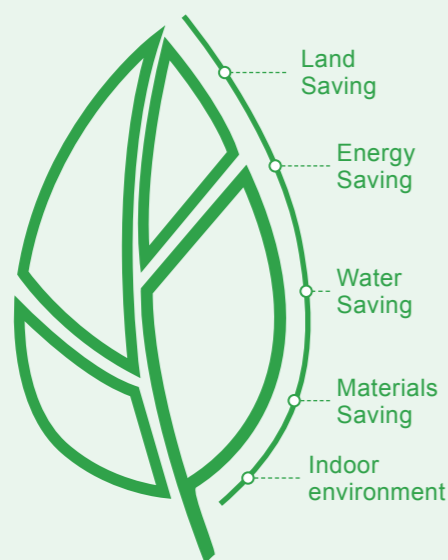
To implement the green development philosophy, SCGC explores the introduction of environmental protection technology solutions such as green buildings and sponge cities, and fully considers resource conservation and reduced pollution emissions during the design, construction and operation of office buildings.

The Laterite Innovation Plaza project won **the two-star national green building design certification, the golden certification of Shenzhen green building design, and the pre-approval of LEED golden certification.**



Applying Green Technologies

We apply advanced and efficient green building technology to the Laterite Innovation Plaza project to ensure that the project meets the requirements of green building in terms of land, energy, water and materials conservation as well as indoor environment management.



Land Saving
Exploiting underground space and implementing roof greening

Energy Saving
Optimizing energy-saving design and applying energy-saving air conditioning, lighting and elevator equipment

Water Saving
Using water-saving sanitary appliance and high-quality pipes and valves to avoid leakage, and recycling municipal reclaimed water for landscaping irrigation and road cleaning

Materials Saving
Applying high-strength steel and recyclable materials

Indoor environment
Ensuring good indoor lighting and ventilation environment, and fully isolating noise

Spreading the Philosophy of Green Development

SCGC encourages employees to integrate the energy-saving and low-carbon development philosophy into daily work and life, and continuously improves energy conservation and environmental protection, contributing to green cities.

Green Office

We incorporate the principles of green office and environmental protection into the code of conduct for employees to urge them to save water and electricity, and help them develop the habits of energy conservation and environmental protection.

Green Life

We encourage employees to apply energy-saving and water-saving appliance and take public transportation or non-motorized vehicles to commute, advocate green consumption, and practice a healthy and frugal diet culture, to truly integrate green development into daily life.



Supporting Sponge Cities

We implement green roofs, sunken green spaces, permeable paving, rainwater gardens and other technical measures, incorporate the six major construction requirements of sponge cities - "Collecting rainwater from sources, reducing rainwater gathering speed, reducing the peak flow of rainwater, reducing rainwater pollution, recycling rainwater after purification/treatment, implementing excess rainwater drainage" into the construction and management of the Laterite Innovation Plaza, to minimize the negative impact of urban development and construction on the ecological environment.

Adhering to Green Construction

We apply electric and natural gas engineering machinery during construction to strictly control construction muck and noise, so as to prevent noise and dust from affecting the surrounding environment during construction



Promoting Poverty Alleviation

RMB **4.53** million
invested in poverty alleviation
by the end of 2019

SCGC implements the nation's targeted poverty alleviation strategy and leverages our capital and resource advantages to support poverty alleviation through Party building, industrial development, infrastructure, employment, education and medical services. SCGC endeavors to make targeted arrangements for poverty alleviation and ensure effective implementation, contributing to the fight against poverty.

Party Building

5
employees dispatched for
poverty alleviation in villages

Through joint Party building activities, SCGC assists Shangxi Village in standardized construction of Party branches and helps improve the organization and leadership of primary-level Party branches. As of the end of 2019, the Company had fully implemented the paired-up poverty alleviation accountability for Shangxi Village. A total of 34 intermediate and senior management personnel paired up with poor households. With the aid of SCGC, poor households in Shangxi Village figured out the development direction to shake off poverty, igniting the hope of people in poverty-stricken areas.

Industrial Development

Relying on local resource advantages, SCGC helps Shangxi Village implements a comprehensive operation model featuring "company/cooperative+base+households" to promote the industrial development of konjac plantation & processing, tea plantation, PV, and Wen's Chicken Raising, etc. Moreover, SCGC invests in the Baoan-Longchuan Industrial Transfer Park and Heyuan High-tech Zone as a shareholder to speed up industrial clustering and transformation & upgrade, thus increasing villagers' income through driving industrial development and fostering a "long-term" mechanism for poverty alleviation. As of the end of 2019, a total of RMB 1.17 million had been invested in industrial poverty alleviation, including RMB 400,000 invested in konjac plantation & processing industry, RMB 500,000 invested in the Baoan-Longchuan Industrial Transfer Park, and RMB 150,000 invested in Heyuan High-tech Zone.

Case Facilitating the development of local characteristic industry - konjac plantation & processing

Shangxi Village has the tradition of konjac plantation. Since the konjac has high edible and medicinal value, konjac plantation and processing has a promising market prospect. In the past, the scale of konjac plantation in Shangxi Village was quite small - only 30 mu or so, and the konjac was only used as a staple supplementary. SCGC has continuously provided financial support and platform resources for Shangxi Village to develop the konjac plantation and processing industry, striving to build the konjac industry into a major industry to drive the village to get rid of poverty and achieve prosperity.

Introducing high-quality konjac varieties

After finding that the local konjac variety does not has a good quality, SCGC specially invited experts from Australia, Yunnan and other places to investigate the konjac planting environment in Shangxi Village, and decided to introduce new varieties of konjac from Yunnan according to the research. High-quality konjac varieties has improved the survival rate, disease resistance and yield of the konjac.

Promoting konjac product sales with platform resources

SCGC makes full use of its resource advantages, actively collaborates with platforms such as Nongjinqun (Shenzhen Agricultural Financial Service Co., Ltd.), Douyin.com and Douguo.com, and helps Shangxi Village access to booths of food expo and the annual meeting of SCGC. With practical actions, SCGC helps Shangxi Village improve the reputation of local konjac products, expands konjac product sales channels, and further increases local farmers' income.

Enlarging the industrial scale with financial support

In order to give full play to the benefits of industrial scale, RMB 300,000 was invested for konjac seedlings free of charge in 2017 and our door-to-door visits helped mobilize local farmers in konjac plantation. Finally, a 300-mu konjac plantation base has been built. To improve the konjac processing capability, SCGC invested over RMB 100,000 to promote technological renovation and upgrade of konjac processing lines, contributing to the konjac plantation and processing integration industry in Shangxi Village.

Innovating in operational models to promote poverty eradication

SCGC helped 47 local poor households with working ability to be shareholders of Shangxi Village Xiangfa Konjac Plantation and Processing Cooperative, and assisted Shangxi Village to establish Xinxi Agricultural Development Co., Ltd. and formed a production and operation model featuring "company+base+households" to improve local farmers' capability of shaking off poverty.



The tea plantation base in Shangxi Village

Case Promoting the development of Laogutang tea plantation industry

Located in mountainous woodland, Shangxi Village is quite suitable for tea plantation. Relying on local tea plantation advantages, SCGC actively improves the business operation model of the Laogutang Tea Plantation Cooperative, expands the tea sales channel, and integrates tea plantation bases to promote the development of local tea plantation industry. The ultimate goal is to build a high-quality characteristic industry in each village.

Improving the cooperative operation model

SCGC strengthens the collaboration of stakeholders including poor households and the cooperative, and encourages all of the 40 poor households (152 people) with working ability to join the Laogutang Tea Plantation Cooperative. The comprehensive business operation model featuring "Cooperative+base+households" provides nearby job opportunities for local poor households and helps them gain steady wages and dividends.

Expanding tea sales channels

To help the cooperative build a new type of production and marketing relations, expand sales channels and increase farmers' income, SCGC provided RMB 15,000 to sponsor the cooperative to participate in the Poverty-Alleviation Fall Tea Expo organized by the Shenzhen SASAC, and provided free booths and tea transport service for the cooperative in the 20th SCGC Annual Investment Meeting. The two exhibitions help the cooperative realize about RMB 20,000 of sales revenue. In addition, SCGC signed a tea procurement intent framework agreement with Laogutang Tea Plantation Cooperative to provide long-term assistance to improve local farmers' income.

Enlarging the tea plantation scale

In 2019, the tea plantation industry had a good development momentum. SCGC further promoted the integration of six tea plantation sites in Shangxi Village, realizing the scale effects of 600-mu tea plantation parks. Moreover, SCGC continued to invest RMB 100,000 in the Laogutang Tea Plantation Cooperative, with the aim of promoting Shangxi Village to develop into a 10,000 mu tea plantation base within five years.



Infrastructure Development

Considering the construction of new rural demonstration villages, SCGC continues to improve local infrastructure in Shangxi Village, such as roads, bridges, office buildings of the Village Committee, and drinking facilities, striving to improve the production and living conditions of Shangxi Village.



Case

Integrating enterprise resources to help improve the safety of the people's drinking-water supply in Shangxi Village

In the wake of the devastating flood on June 12, 2019, Shangxi Village has been suffering from broken drinking pipelines. Since emergency repairing was not effectively conducted, local farmers faced drinking water outage for a long period. Moreover, since the drinking water ponds were not put into use and the water treatment facilities were not well equipped, the drinking water safety of local farmers was not guaranteed. Aware of this situation, SCGC actively mobilized enterprise resources in the field of environmental protection, and contacted with Shenzhen Water Group to dispatch technicians to Shangxi Village for free field research and explore plans of pipeline replacement, water purification equipment procurement, and accelerated development of mineral water resources.

To give priority to water supply, SCGC urgently invested in RMB 110,000 to purchase drinking water pipeline for Shangxi Village. Under the help of an invested company of SCGC, Shangxi Village purchased pipeline from China Lesso at the ex-factory price with free delivery service, which effectively solved the drinking water problem of Shangxi Village.

Employment Improvement

SCGC improves the employment-based poverty alleviation accounts, and timely tracks the employment progress of poor households. SCGC actively shares employment information and provides skills training for poor households, and develops public welfare jobs. With these endeavors, SCGC fully guarantees the employment of poor households and improves the confidence of poor households in lifting themselves out of poverty.

Sharing Recruitment Information

Recommending poor people with employment difficulties to work for the Laogutang Tea Plantation Cooperative

Organizing Skills Training

Organizing poor people to participate in skills trainings

Developing Public Welfare Jobs

Hiring 2 poor people as village cleaners to make the village environment better



By the end of 2019,

34

infrastructure construction projects conducted

RMB 760,000

invested in roads

RMB 250,000

invested in Village Committee office building construction



By the end of 2019,

RMB 30,000

invested in poverty alleviation through employment enhancement

67

poor people organized to participate in skills training

Educational Support

Poverty alleviation through educational support is the core of blocking the inter-generational transmission of poverty. SCGC actively carries out educational fund donation activities to provide subsidies for students with financial difficulties, and rewards students with academic merits. Moreover, the Company organizes Party members with PhD degrees to participate in the volunteering education activity, and donates books and media education platform systems to help improve the teaching conditions of Shangxi Village.



Carrying out the educational fund donation



Organizing Party members with PhD degrees to participate in the volunteering education activity



By the end of 2019,

RMB 247,000

invested in poverty alleviation through educational support

RMB 130,600

donated to the Shangxi Village Education Foundation by SCGC employees in 2019

Medical Assistance

SCGC encourages villagers in Shangxi to purchase basic medical insurance and critical illness insurance, and provides medical assistance for villagers who are seriously ill, so as to protect the health and safety of local villagers. Through donating examination beds, computer desks and chairs to Shangxi Village, SCGC helps improve local medical conditions. In 2019, 51 households were provided with the medical insurance and 23 people were provided with medical assistance.



By the end of 2019

RMB 358,000

invested in poverty alleviation through medical assistance

Engaging in Charity

To give back to society, SCGC carries out public welfare activities such as environmental protection and disaster relief, making contributions to building a better society.

Environmental Protection

SCGC collaborated with the Party branch of Shenzhen Angel FOF and the Resource Management Department of Shenzhen Talent Research Academy to organize Party members to clean rubbish, fallen leaves and debris in the Swan Lake Guaguo Corridor, practicing the environmental protection philosophy with solid actions.

Disaster Relief

In June 2019, Shangxi Village was hit by a devastating flood. SCGC instantly participated in the emergency rescue and provided RMB 100,000 of relief funds for the transferred villagers due to the flood. The rescue team of SCGC visited the disaster-affected villagers and applied for a road and bridge repairing fund worth RMB 10 million and an industrial recovery fund worth RMB 380,000 to fully support the post-disaster recovery of Shangxi Village.

Outlook

2020 is the concluding year of building a moderately prosperous society in all respects and the 13th Five-Year Plan. We will continue to implement the important speeches and deployment on Shenzhen made by General Secretary Xi Jinping in Guangdong; we will seize the historic opportunities of “Dual drive of the pilot demonstration area and Guangdong-Hong Kong-Macao Greater Bay Area”, insists on value-based investment, and seeks innovative enterprises to explore extraordinary growth in future. Pairing up with our invested companies, we will spare no effort to make people’s life even better.

Leveraging the new opportunities brought by China’s innovation-driven strategy, new infrastructure strategy and capital market reform, we will continue to enhance industrial insights and professional judgments to identify innovation value that meets the needs of social developments of our times, and keep on value creation.

We will continue to shoulder our responsibilities as a state-owned venture capital group and prioritize the investments in information technology, Internet, biotechnology and other industries according to the nation’s development strategy and industrial upgrade & transformation plan. The goal of these investments is to accelerate the development of the nation’s strategic and emerging industries, and facilitate the high-quality development of the Chinese economy.

As a local venture capital institution, we will actively share the benefits of value investment with industrial peers, partners and invested companies, further explore the integration and application of social responsibility into investment management, and mitigate investment risks from the perspectives of environment, society and corporate governance. With an intrepid vision, we will embrace new challenges and seek for new opportunities.

At the same time, we will continue to improve the platform for employee development and growth, and strive to become a responsible corporate citizen that engages in public welfare and charity. We will encourage employees to participate in community construction and volunteering activities, and join hands with stakeholders to create a better future for all.



Disclaimer

The industries and companies mentioned in this report are used only for the purpose of supporting cases, and do not constitute SCGC investment views or suggestions. SCGC does not undertake to update inaccurate or outdated information, views and data, nor guarantees the realization of related investment goals or plans. SCGC holds no accountability for any investment decision made by investors with the reference of this report.

GRI Content Index

Report Content	GRI Standards
About the Report	102-1/102-46/102-50/102-53/102-54
Message from the Chairman	102-14
About SCGC	102-1/102-2/102-3/102-4/102-5/102-6/102-7/102-16
Development Strategy	
Corporate Governance	102-18
Party Building	
Compliance Operation	102-30/205-1
CSR Feature: With 20 Years of Sheer Endeavor, SCGC Sails for Excellence	102-7/102-8/102-15/201-1/203-1
Value Investment Management	
Value Investment Concept	102-16
Value Investment Strategy	
Whole-Chain Investment Management	102-30
Stakeholder Communication	102-40/102-42/102-43/102-44
Value Investment for a Better Future	
Driving Industrial Development	201-1/203-2
Making a Better Life Possible	201-1/203-2/413-1
Sharing a Blue Sky	304-2/306-4
Empowering Enterprise Development	
Meeting Financial Needs	201-1/203-2
Improving Management	201-1/203-2
Integrating Diverse Resources	201-1/203-2
Building a Capital Engine	201-1/203-2
Enhancing International Cooperation	
Developing Overseas Market	203-2
Enhancing Win-win Cooperation	203-2
Strengthening Communication and Exchange	203-2
Nurturing Innovation Talents	
Promoting Employee Growth	404-1/404-2
Unblocking Career Development Channels	404-3
Protecting Employee Rights and Interests	102-8/102-35/401-1/401-2/401-3/403-4/405-1
Building a Happy SCGC	
Jointly Building a Beautiful Homeland	
Advocating Green Development	301-3/302-4/303-3
Promoting Poverty Alleviation	201-1/203-1/203-2/413-1
Engaging in Charity	413-1
Outlook	102-14
Disclaimer	
GRI Content Index	102-55
Feedback Sheet	102-53

Feedback Sheet

Thank you for reading the *Corporate Social Responsibility Report 2019 of Shenzhen Capital Group Co., Ltd.* In order to provide you and other stakeholders with more valuable information and promote our CSR capability, we sincerely welcome your comments and suggestions on the report.

Which type of the following stakeholders do you belong to?

- ☐ The government
- ☐ Regulatory authorities
- ☐ Investor
- ☐ Invested enterprise
- ☐ Employee
- ☐ Partner
- ☐ The environment
- ☐ The community
- ☐ Media
- ☐ Others ()

Your evaluation on this report

1. Report structure

☐ Very Good

☐ Good

☐ Average

☐ Poor
2. Information quality

☐ Very Good

☐ Good

☐ Average

☐ Poor
3. Written statement

☐ Very Good

☐ Good

☐ Average

☐ Poor
4. Design

☐ Very Good

☐ Good

☐ Average

☐ Poor
5. Overall evaluation

☐ Very Good

☐ Good

☐ Average

☐ Poor

Open questions

1. What do you think is the most satisfactory aspect of this report?

2. What opinions and suggestions do you have on our CSR work and CSR report?



This report is printed on eco-friendly recycled paper.



深圳市创新投资集团有限公司
SHENZHEN CAPITAL GROUP CO., LTD.

Address: 11 / F, Investment Building, No.4009 Shennan Road, Futian Central District, Shenzhen

Tel: 0755-82912888

Fax: 0755-82912880

Post code: 518048

Website: www.szvc.com.cn