



(GDR under the symbol: "HTSC")

FIRST QUARTERLY REPORT OF 2020

The Board of Directors of the Company is pleased to announce the unaudited financial information of the Company and its subsidiaries for the first quarter ended March 31, 2020, prepared in accordance with China Accounting Standards for Business Enterprises.

This announcement contains the English translation of the Chinese version of “Huatai Securities Co., Ltd. First Quarterly Report of 2020” as published on the website of the Shanghai Stock Exchange, and is provided for your reference only. In case of discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“Board” or “Board of Directors” the board of Directors of the Company

“Company” a joint stock company incorporated in the People’s Republic of China with limited liability under the corporate name 华泰证券股份有限公司 (Huatai Securities Co., Ltd.), converted from our predecessor 华泰证券有限责任公司 (Huatai Securities Limited Liability Company) on December 7, 2007, carrying on business in Hong Kong as “HTSC”, and was registered as a registered non-Hong Kong company under Part 16 of the Companies Ordinance under the Chinese approved name of “华泰六八八六股份有限公司” and English name of “Huatai Securities Co., Ltd.”; the H Shares of which have been listed on the main board of The Stock Exchange of Hong Kong Limited since June 1, 2015 (Stock Code: 6886); the A Shares of which have been listed on the Shanghai Stock Exchange since February 26, 2010 (Stock Code: 601688); the global depository receipts of which have been listed on the London Stock Exchange plc since June 2019 (Symbol: HTSC), unless the context otherwise requires, including its predecessor

“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“GDR”	global depository receipt
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiangsu SASAC”	State-owned Assets Supervision and Administration Commission of Jiangsu Provincial Government (江蘇省政府國有資產監督管理委員會)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “State”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC, the basic unit of which is “yuan”
“Reporting Period”	the period from January 1, 2020 to March 31, 2020
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“%”	per cent

Huatai Securities Co., Ltd.

April 29, 2020

Company Code: 601688

Abbreviation of Company: HTSC

**HUATAI SECURITIES CO., LTD.
FIRST QUARTERLY REPORT OF 2020**

CONTENTS

I.	Important Notice	5
II.	Basic Information of the Company.....	5
III.	Major Events	10
IV.	Appendix	13

I. Important Notice

1.1 The Board, the Supervisory Committee, Directors, Supervisors and senior management of the Company warrant that the information in this quarterly report is true, accurate, complete and contains no false record, misleading statement or material omission, and assume individual and joint liabilities to the information contained herein.

1.2 Particulars of absent Directors

Name of absent Director	Position of absent Director	Reason for absence	Name of proxy
Wang Tao	Director	Business engagement	Zhang Wei
Liu Yan	Independent Director	Business engagement	Chen Chuanming

1.3 Zhang Wei, officer in charge, Jiao Xiaoning, officer in charge of accounting, and Fei Lei, officer in charge of the accounting office of the Company (head of accounting department), hereby guarantee that the financial statements contained in this quarterly report are true, accurate and complete.

1.4 This first quarterly report of the Company, which is prepared in accordance with the China Accounting Standards for Business Enterprises, is unaudited.

II. Basic Information of the Company

2.1 Key Financial Data

Unit: Yuan Currency: RMB

	As of the end of the Reporting Period	As of the end of the previous year	Change (%) as of the end of the Reporting Period as compared to the end of the previous year
Total assets	599,233,482,467.66	562,180,638,301.99	6.59
Net assets attributable to shareholders of the listed Company	125,151,759,955.07	122,537,479,427.71	2.13
	Beginning of the year to the end of the Reporting Period	Beginning of the previous year to the end of the reporting period in the previous year	Change (%) as compared to the corresponding period of the previous year
Net cash flow generated from operating activities	13,677,634,866.20	30,557,826,823.75	-55.24

	Beginning of the year to the end of the Reporting Period	Beginning of the previous year to the end of the reporting period in the previous year	Change (%) as compared to the corresponding period of the previous year
Operating revenue	6,864,661,727.81	6,247,768,951.11	9.87
Net profit attributable to the shareholders of the listed Company	2,888,035,552.12	2,779,612,391.79	3.90
Net profit attributable to shareholders of the listed Company excluding extraordinary gains and losses	2,901,409,675.04	2,773,464,570.40	4.61
Weighted average return on net assets (%)	2.33	2.66	Decreased by 0.33 percentage point
Basic earnings per share (RMB/share)	0.32	0.34	-5.88
Diluted earnings per share (RMB/share)	0.32	0.34	-5.88

Items and amount of extraordinary gains and losses

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Amount for the Reporting Period
Profit or loss on disposal of non-current assets, including the part offset with the provision for impairment of assets	36,819.61
Government subsidies recognized in profit and loss of the current period, excluding those closely related to the normal operation of the Company and granted on an ongoing basis in standard fixed amount or fixed quota in accordance with government policies and regulations	5,972,937.97
Other non-operating income and expenses other than the above items	-24,722,211.66
Effect of income tax	662,959.32
Effect of minority interest (net of tax)	4,675,371.84
Total	-13,374,122.92

2.2 Total number of shareholders and shareholding of top ten shareholders and top ten holders of tradable shares (or holders of shares not subject to selling restrictions) as of the end of the Reporting Period

Unit: share

Total number of shareholders

249,613

Shareholding of top ten shareholders

Name of shareholder (in full name)	Number of shares held as of the end of the Reporting Period	Percentage (%)	Number of shares held subject to selling restrictions	Pledged or frozen shares Status of shares	Number of shares	Class of shareholder
HKSCC Nominees Limited	1,588,708,527	17.50	–	Nil	–	Foreign legal person
Jiangsu Guoxin Investment Group Limited	1,329,224,036	14.64	–	Nil	–	State-owned legal person
Jiangsu Communications Holding Company Limited	489,065,418	5.39	–	Nil	–	State-owned legal person
Govtor Capital Group Co., Ltd.	356,233,206	3.92	–	Nil	–	State-owned legal person
Alibaba (China) Technology Co., Ltd.	268,199,233	2.95	–	Nil	–	Domestic non-state-owned legal person
Essence Securities – China Merchants Bank – Essence Securities Dingzengbao No. 1 Collective Asset Management Program	247,545,593	2.73	–	Nil	–	Unknown
China Securities Finance Corporation Limited	246,720,811	2.72	–	Nil	–	Unknown
Hong Kong Securities Clearing Company Limited	166,795,300	1.84	–	Nil	–	Foreign legal person
Jiangsu SOHO Holdings Group Co., Ltd.	153,212,174	1.69	–	Nil	–	State-owned legal person
Citibank, National Association	137,643,160	1.52	–	Nil	–	Foreign legal person

Shareholding of top ten shareholders not subject to selling restrictions

Name of shareholder	Number of tradable shares not subject to selling restrictions	Class and number of shares	
		Class	Number
HKSCC Nominees Limited	1,588,708,527	Overseas listed foreign shares	1,588,708,527
Jiangsu Guoxin Investment Group Limited	1,329,224,036	Ordinary shares in RMB	1,271,072,836
Jiangsu Communications Holding Company Limited	489,065,418	Overseas listed foreign shares	58,151,200
		Ordinary shares in RMB	452,065,418
Govtor Capital Group Co., Ltd.	356,233,206	Overseas listed foreign shares	37,000,000
		Ordinary shares in RMB	342,028,006
		Overseas listed foreign shares	14,205,200
Alibaba (China) Technology Co., Ltd.	268,199,233	Ordinary shares in RMB	268,199,233
Essence Securities – China Merchants Bank – Essence Securities Dingzengbao No. 1 Collective Asset Management Program	247,545,593	Ordinary shares in RMB	247,545,593
China Securities Finance Corporation Limited	246,720,811	Ordinary shares in RMB	246,720,811
Hong Kong Securities Clearing Company Limited	166,795,300	Ordinary shares in RMB	166,795,300
Jiangsu SOHO Holdings Group Co., Ltd.	153,212,174	Ordinary shares in RMB	135,962,174
		Overseas listed foreign shares	17,250,000
Citibank, National Association	137,643,160	Ordinary shares in RMB	137,643,160

Description of the connected relationship or action in concert between the above shareholders

Jiangsu Guoxin Investment Group Limited, Jiangsu Communications Holding Company Limited, Govtor Capital Group Co., Ltd. and Jiangsu SOHO Holdings Group Co., Ltd. are wholly-owned by Jiangsu SASAC. Apart from the above, it is not known if there is any connection between other shareholders or whether such shareholders are parties acting in concert as stipulated under the Measures for the Administration of the Takeover of Listed Companies.

Explanation on restored voting rights by shareholders of preference shares and number of shares held

The Company has no shareholders of preference shares.

- Notes: 1. The shareholders of ordinary shares in RMB (A shares) refer to the shareholders who are holders of accounts registered with Shanghai Branch of China Securities Depository and Clearing Corporation Limited in terms of their nature.
2. Among shareholders of overseas listed foreign shares (H shares) of the Company, shares of non-registered shareholders are held by HKSCC Nominees Limited on their behalf. As at the end of the Reporting Period, Jiangsu Guoxin Investment Group Limited, Jiangsu Communications Holding Co., Ltd., Govtor Capital Group Co., Ltd. and Jiangsu SOHO Holdings Group Co., Ltd. acquired, via Stock Connect's Southbound trading, 58,151,200 shares, 37,000,000 shares, 14,205,200 shares and 17,250,000 shares of the Company's H Shares, respectively, which are also being held by HKSCC Nominees Limited. These shareholdings are specifically listed separately at the time of the disclosure of this report; should such shares be included, the actual number of shares held by HKSCC Nominees Limited on their behalf would have been 1,715,314,927 shares, representing 18.90% of the total share capital of the Company.
3. Hong Kong Securities Clearing Company Limited is a nominal holder of A Shares of the companies held by the investors at Shanghai-Hong Kong Stock Connect.
4. Citibank, National Association is the depository of the Company's GDRs, and the domestic underlying A shares represented by the GDRs are legally registered under its name. According to the statistics provided by the depository, the Company had a total of 13,764,316 GDRs in the duration period as of the end of the Reporting Period, accounting for 16.68% of the approved number of issuance by the CSRC.
5. Among the total number of shareholders of ordinary shares as at the end of the Reporting Period, there were 241,480 shareholders of A shares and 8,133 registered shareholders of H shares.

2.3 Total number of shareholders of preference shares, shareholdings of the top ten shareholders of preference shares and shareholdings of the top ten shareholders of preference shares not subject to selling restrictions as of the end of the Reporting Period

Applicable Not applicable

III. Major Events

3.1 Details and reasons for material changes in key accounting statement items and financial indicators of the Company

Applicable Not applicable

Unit: Yuan Currency: RMB

Balance sheet items	Balance as at the end of the period	Balance as at the end of the previous year	Change	Reason for change
Derivative financial assets	2,608,988,266.05	1,858,041,023.13	40.42%	Changes in fair value of equity derivatives of subsidiaries
Receivables	7,596,177,894.97	5,511,167,782.24	37.83%	Mainly related to the increase in equity swap receivables
Other debt investments	4,865,337,576.01	2,013,233,369.35	141.67%	Increase in other debt investments of subsidiaries
Trading financial liabilities	10,015,927,477.51	7,380,183,358.52	35.71%	Increase in bond borrowings and selling scale
Derivative financial liabilities	1,751,629,220.45	1,278,399,239.03	37.02%	Change in fair value of equity derivatives
Securities underwriting services	9,088,000.00	4,031,799.99	125.41%	Increase in underwriting settlement payable to customers
Payables	17,629,541,422.62	11,311,169,937.02	55.86%	Mainly related to the increase in trade payables
Other comprehensive income	450,417,510.38	788,767,977.40	-42.90%	Mainly related to the increase in change in fair value of other equity instrument investment

Income statement items	Beginning of the year to the end of the report period (January-March)	Beginning of the previous year to the end of report period in the previous year (January-March)	Change	Reason of change
Net fee and commission income	2,791,933,243.86	2,140,767,407.49	30.42%	Mainly related to the increase in the fee income from brokerage business
Investment gains	3,858,185,147.62	2,606,878,167.72	48.00%	Increase in gains from financial instruments investment
Other gains	5,972,937.97	9,380,561.88	-36.33%	Decrease in government grants
Gains from change in fair value	-547,484,372.31	764,789,932.88	-171.59%	Change in fair value of financial instruments
Foreign exchange gains	155,491,493.30	17,028,215.37	813.14%	Increase in foreign exchange gains of subsidiaries
Credit impairment loss	10,717,650.85	6,208,453.21	72.63%	Provision for impairment of other debt investment of subsidiaries
Other asset impairment loss	6,237,006.47	-2,734,416.43	N/A	Provision for impairment of other assets of subsidiaries
Non-operating expenses	25,051,191.78	2,532,327.82	889.26%	Expenditures for donations and confiscations due to the epidemic
Other comprehensive income, net of tax	-311,782,804.96	451,576,063.07	-169.04%	Change in fair value of other equity instrument investment

3.2 Analysis and explanation on the progress of major events and their effects and solutions

√ Applicable □ Not applicable

1. The progress of share repurchases by the Company

On March 30, 2020, the Company convened the fifth meeting of the fifth session of the Board, at which the Resolution on Repurchase of A Shares through Centralized Price Bidding was considered and approved (see Shanghai Stock Exchange announcement 2020-023 for details).

As of April 29, 2020, the Company has accumulatively repurchased 1,425,400 A Shares with the highest and lowest purchase prices of RMB17.99 per share and RMB17.73 per share, respectively. The total amount paid was RMB25,403,805 (exclusive of transaction costs).

2. The progress of shareholder's increase in shareholding

On April 1, 2020, the Company received a notice from Jiangsu Guoxin Investment Group Limited ("Guoxin Group"), stating that Guoxin Group planned to increase its shareholding of H shares of the Company via Southbound Trading within the six months from April 3, 2020, with the increased shareholding percentage in aggregate not less than 0.2203% (20 million shares) of the Company's total shares (calculated by the total issued shares of the Company as of April 2, 2020, same for the following) and not higher than 0.5% of the Company's total shares (see Shanghai Stock Exchange announcement 2020-030 for details).

As of April 29, 2020, the implementation of the shareholding increase plan was not completed, and Guoxin Group held 1,271,072,836 A Shares and 71,250,000 H Shares of the Company, accounting for 14.7887% of the total shares of the Company.

3. During the Reporting Period, the chairman of Jiangsu Equity Exchange Co., Ltd. (江蘇股權交易中心有限責任公司), a holding subsidiary of the Company, was changed from Mr. Hu Zhi to Ms. Li Yun.
4. During the Reporting Period, the chairman and legal representative of Huatai Purple Gold Investment Co., Ltd. (華泰紫金投資有限責任公司) ("Huatai Purple Gold Investment"), a wholly-owned subsidiary of the Company, was changed from Mr. Jiang Jian to Ms. Cao Qun.
5. During the Reporting Period, Shanghai Jingrui Investment Center (Limited Partnership) (上海京瑞投資中心(有限合夥)) managed by Huatai Purple Gold Investment has completed liquidation and cancellation.

3.3 Overdue and unfulfilled undertakings during the Reporting Period

Applicable Not applicable

3.4 Warning and reasons for cumulative net loss expected to be recorded for the period from the beginning of the year to the end of the next reporting period or material changes of cumulative net profit as compared to the corresponding period of the previous year

Applicable Not applicable

Name of Company	Huatai Securities Co., Ltd.
Legal representative	Zhang Wei
Date	April 29, 2020

IV. Appendix

4.1 Financial Statements

Consolidated Balance Sheet

March 31, 2020

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	March 31, 2020	December 31, 2019
Assets:		
Monetary capital	128,806,793,839.50	117,098,117,885.53
Of which: Customer fund deposits	78,434,735,979.83	67,244,929,390.74
Clearing settlement funds	24,870,950,590.29	22,470,512,481.84
Of which: Settlement funds from customers	18,476,864,070.30	15,714,908,868.52
Precious metal	—	—
Placements with other financial institutions	—	—
Margin loans	70,658,130,446.51	69,006,279,731.08
Derivative financial assets	2,608,988,266.05	1,858,041,023.13
Refundable deposits	11,424,276,483.74	12,653,540,295.57
Receivables	7,596,177,894.97	5,511,167,782.24
Receivables financing	—	—
Contract assets	—	—
Financial assets held under resale agreements	21,325,083,702.43	18,466,280,279.44
Held-for-sale assets	—	—

Items	March 31, 2020	December 31, 2019
Financial investments:	301,507,822,904.23	284,893,404,541.06
Trading financial assets	267,282,687,656.79	252,795,672,184.76
Debt investments	19,473,087,425.16	19,739,757,154.02
Other debt investments	4,865,337,576.01	2,013,233,369.35
Other equity instrument investments	9,886,710,246.27	10,344,741,832.93
Long-term equity investments	15,663,265,691.81	15,639,004,959.63
Investment properties	514,493,522.70	527,089,181.22
Fixed assets	3,633,520,986.67	3,669,141,548.69
Construction in progress	35,671,392.36	29,969,286.34
Right-of-use assets	1,066,251,505.42	969,005,171.53
Intangible assets	5,736,563,742.26	5,711,457,190.27
Goodwill	2,450,335,583.80	2,333,861,981.31
Deferred income tax assets	188,253,640.89	202,825,303.30
Other assets	<u>1,146,902,274.03</u>	<u>1,140,939,659.81</u>
 Total assets	 <u><u>599,233,482,467.66</u></u>	 <u><u>562,180,638,301.99</u></u>

Items	March 31, 2020	December 31, 2019
Liabilities:		
Short-term loans	5,242,447,032.91	5,724,131,184.24
Short-term margin loans	42,764,459,236.62	46,425,195,899.76
Placements from other financial institutions	10,029,983,388.90	11,362,598,055.52
Trading financial liabilities	10,015,927,477.51	7,380,183,358.52
Derivative financial liabilities	1,751,629,220.45	1,278,399,239.03
Financial assets sold under repurchase agreements	110,716,782,435.75	109,719,044,669.32
Securities brokerage services	105,992,785,472.98	89,817,920,454.94
Securities underwriting services	9,088,000.00	4,031,799.99
Employee benefits payables	8,908,221,721.12	8,934,386,467.90
Tax payables	1,406,803,818.57	1,128,392,498.73
Payables	17,629,541,422.62	11,311,169,937.02
Contract liabilities	21,870,964.10	19,178,960.05
Held-for-sale liabilities	—	—
Estimated liabilities	101,047.62	101,047.62
Long-term loans	862,688,863.94	850,996,762.28
Bonds payables	72,738,635,337.28	64,616,357,877.71
Of which: Preference shares	—	—
Perpetual bonds	—	—
Lease liabilities	1,084,558,216.80	962,441,274.66
Deferred income	—	—
Deferred income tax liabilities	2,253,692,764.88	2,566,799,587.96
Other liabilities	79,459,500,207.01	74,424,601,054.40
	<u>470,888,716,629.06</u>	<u>436,525,930,129.65</u>
Total liabilities	<u>470,888,716,629.06</u>	<u>436,525,930,129.65</u>

Items	March 31, 2020	December 31, 2019
Owners' equity (or equity of shareholders):		
Paid up capital (or share capital)	9,076,650,000.00	9,076,650,000.00
Other equity instrument	—	—
Of which: Preference shares	—	—
Perpetual bonds	—	—
Capital reserve	70,355,128,882.76	70,290,533,440.50
Less: treasury shares	—	—
Other comprehensive income	450,417,510.38	788,767,977.40
Surplus reserve	5,118,690,487.75	5,118,690,487.75
General risk provision	14,117,045,925.92	14,084,426,255.63
Undistributed profits	26,033,827,148.26	23,178,411,266.43
Total equity attributable to the owners (or equity of shareholders) of the parent company	125,151,759,955.07	122,537,479,427.71
Minority interest	3,193,005,883.53	3,117,228,744.63
Total owners' equity (or equity of shareholders)	<u>128,344,765,838.60</u>	<u>125,654,708,172.34</u>
Total liabilities and owners' equity (or equity of shareholders)	<u>599,233,482,467.66</u>	<u>562,180,638,301.99</u>

Legal representative:
Zhang Wei

Officer in charge of accounting:
Jiao Xiaoning

Head of accounting department:
Fei Lei

Balance Sheet of the Parent Company

March 31, 2020

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	March 31, 2020	December 31, 2019
Assets:		
Monetary capital	80,277,710,698.76	73,234,252,933.89
Of which: Customer fund deposits	63,541,448,464.47	55,427,774,926.91
Clearing settlement funds	25,809,125,341.64	23,134,062,020.84
Of which: Settlement funds from customers	19,941,958,048.86	15,714,908,868.52
Precious metal	—	—
Placements with other financial institutions	—	—
Margin loans	69,839,591,479.74	68,122,907,968.79
Derivative financial assets	1,815,769,160.93	1,851,978,437.13
Refundable deposits	3,574,001,798.58	4,548,560,513.93
Receivables	3,833,831,790.62	3,041,431,832.79
Receivables financing	—	—
Contract assets	—	—
Financial assets held under resale agreements	12,847,613,483.51	14,155,651,809.05
Held-for-sale assets	—	—
Financial investments:	206,863,397,130.35	200,032,434,547.45
Trading financial assets	178,949,621,334.32	171,944,301,348.98
Debt investments	18,064,440,698.43	17,780,766,514.21
Other debt investments	—	—
Other equity instrument investments	9,849,335,097.60	10,307,366,684.26
Long-term equity investments	29,104,695,987.21	28,809,301,135.26
Investment properties	1,352,123,159.69	1,363,936,597.17
Fixed assets	2,546,918,843.17	2,582,214,671.79
Construction in progress	34,857,837.31	29,071,119.99
Right-of-use assets	459,275,403.55	480,501,516.07
Intangible assets	540,493,814.18	646,399,007.55
Goodwill	—	—
Deferred income tax assets	—	—
Other assets	6,373,507,443.54	567,902,412.90
Total assets	445,272,913,372.78	422,600,606,524.60

Items	March 31, 2020	December 31, 2019
Liabilities:		
Short-term loans	—	—
Short-term margin loans	43,183,449,236.62	47,059,475,899.76
Placements from other financial institutions	10,029,983,388.90	11,362,598,055.52
Trading financial liabilities	2,777,337,404.41	852,335,234.43
Derivative financial liabilities	1,311,835,111.73	953,526,561.74
Financial assets sold under repurchase agreements	103,015,630,504.52	101,900,040,622.94
Securities brokerage services	83,811,706,817.05	70,663,091,611.16
Securities underwriting services	9,088,000.00	4,031,799.99
Employee benefits payables	7,188,084,779.22	6,575,921,093.57
Tax payables	937,279,980.08	497,974,458.47
Payables	12,627,283,113.55	8,904,081,927.92
Contract liabilities	—	—
Held-for-sale liabilities	—	—
Estimated liabilities	101,047.62	101,047.62
Long-term loans	—	—
Bonds payables	66,249,783,347.25	61,012,472,156.14
Of which: Preference shares	—	—
Perpetual bonds	—	—
Lease liabilities	457,117,587.27	470,495,569.49
Deferred income	—	—
Deferred income tax liabilities	474,337,347.17	888,227,227.52
Other liabilities	1,460,589,197.86	1,200,167,306.09
	<u>333,533,606,863.25</u>	<u>312,344,540,572.36</u>
Total liabilities	<u>333,533,606,863.25</u>	<u>312,344,540,572.36</u>
Owners' equity (or equity of shareholders):		
Paid up capital (or share capital)	9,076,650,000.00	9,076,650,000.00
Other equity instruments	—	—
Of which: Preference shares	—	—
Perpetual bonds	—	—
Capital reserve	69,229,337,237.49	69,229,337,237.49
Less: treasury shares	—	—
Other comprehensive income	-132,996,441.87	222,536,430.00
Surplus reserve	5,118,690,487.75	5,118,690,487.75
General risk provision	10,449,490,415.37	10,449,289,789.99
Undistributed profits	17,998,134,810.79	16,159,562,007.01
Total owners' equity (or equity of shareholders)	111,739,306,509.53	110,256,065,952.24
Total liabilities and owners' equity (or equity of shareholders)	<u>445,272,913,372.78</u>	<u>422,600,606,524.60</u>

Legal representative:
Zhang Wei

Officer in charge of accounting:
Jiao Xiaoning

Head of accounting department:
Fei Lei

Consolidated Income Statement

January to March 2020

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First quarter of 2020	First quarter of 2019
I. Total Operating income	6,864,661,727.81	6,247,768,951.11
Net interest income	445,776,220.16	502,615,392.06
Of which: Interest income	2,402,751,836.79	1,880,822,678.54
Interest expenses	1,956,975,616.63	1,378,207,286.48
Net fee and commission income	2,791,933,243.86	2,140,767,407.49
Of which: Net fee income from brokerage business	1,514,908,794.88	1,124,281,762.33
Net fee income from asset management business	847,077,003.00	712,218,565.37
Net fee income from investment banking business	381,983,259.60	247,997,199.09
Investment gains (“-” indicating losses)	3,858,185,147.62	2,606,878,167.72
Of which: Gains from investments in associates and joint ventures	810,941,921.60	1,167,501,518.72
Gains from derecognition of financial assets measured at amortised cost (“-” indicating losses)	–	980,210.99
Net exposure hedging gains (“-” indicating losses)	–	–
Other gains	5,972,937.97	9,380,561.88
Gains from change in fair value (“-” indicating losses)	-547,484,372.31	764,789,932.88
Foreign exchange gains (“-” indicating losses)	155,491,493.30	17,028,215.37
Other business income	154,750,237.60	206,214,947.75
Gain from disposal of assets (“-” indicating losses)	36,819.61	94,325.96
II. Total operating expenses	3,066,717,543.90	2,595,504,589.30
Tax and surcharges	43,242,541.46	39,562,402.45
Business and administrative expenses	2,871,313,848.42	2,359,476,736.65
Asset impairment loss	–	–
Credit impairment loss	10,717,650.85	6,208,453.21
Other asset impairment loss	6,237,006.47	-2,734,416.43
Other business costs	135,206,496.70	192,991,413.42
III. Operating profit (“-” indicating loss)	3,797,944,183.91	3,652,264,361.81
Add: Non-operating income	328,980.12	1,856,883.13
Less: Non-operating expenses	25,051,191.78	2,532,327.82
IV. Total profit (“-” indicating total loss)	3,773,221,972.25	3,651,588,917.12
Less: Income tax expenses	863,309,146.68	846,807,720.45

Items	First quarter of 2020	First quarter of 2019
V. Net profit (“-” indicating net loss)	2,909,912,825.57	2,804,781,196.67
(I) Classified by continuity of operations		
1. Net profit from continuing operations (“-” indicating net losses)	2,909,912,825.57	2,804,781,196.67
2. Net profit from discontinued operations (“-” indicating net losses)	–	–
(II) Classified by ownership of equity		
1. Net profit attributable to shareholders of the parent company (“-” indicating net losses)	2,888,035,552.12	2,779,612,391.79
2. Profit or loss of minority interest (“-” indicating net losses)	21,877,273.45	25,168,804.88
VI. Other comprehensive income, net of tax	-311,782,804.96	451,576,063.07
Other comprehensive income attributable to owners of the parent company, net of tax	-338,350,467.02	452,351,575.96
(I) Other comprehensive income that will not be reclassified to profit and loss	-343,523,689.99	575,813,633.88
1. Changes in amount of re-measurement of defined benefit plan	–	–
2. Other comprehensive income that will not transfer to profit and loss under the equity method	–	–
3. Change in fair value of other equity instrument investments	-343,523,689.99	575,813,633.88
4. Change in fair value of the enterprise’s own credit risk	–	–
(II) Other comprehensive income that will be reclassified to profit and loss	5,173,222.97	-123,462,057.92
1. Other comprehensive income that will be transferred to profit and loss under equity method	-12,009,181.88	25,773,749.29
2. Change in fair value of other debt investments	-140,537,934.43	–
3. Amount of financial assets reclassified to other comprehensive income	–	–
4. Provision for credit losses of other debt investments	–	–
5. Reserve for hedge against cash flow	-35,194,846.67	–
6. Exchange differences from translation of financial statements denominated in foreign currencies	192,915,185.95	-149,235,807.21
7. Other	–	–
Other comprehensive income attributable to minority interest, net of tax	26,567,662.06	-775,512.89

Items	First quarter of 2020	First quarter of 2019
VII. Total comprehensive income	2,598,130,020.61	3,256,357,259.74
Total comprehensive income attributable to owners of the parent company	2,549,685,085.10	3,231,963,967.75
Total comprehensive income attributable to minority interest	48,444,935.51	24,393,291.99
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.32	0.34
(II) Diluted earnings per share (RMB/share)	0.32	0.34
Legal representative: Zhang Wei	Officer in charge of accounting: Jiao Xiaoning	Head of accounting department: Fei Lei

Income Statement of the Parent Company

January to March 2020

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First Quarter of 2020	First Quarter of 2019
I. Total Operating income	4,034,866,518.61	4,241,376,265.78
Net interest income	247,056,458.96	326,652,897.88
Of which: Interest income	2,034,896,804.05	1,553,636,998.30
Interest expenses	1,787,840,345.09	1,226,984,100.42
Net fee and commission income	1,590,334,173.03	1,167,900,638.85
Of which: Net fee income from brokerage business	1,469,063,472.82	1,061,915,513.45
Net fee income from asset management business	-	-
Net fee income from investment banking business	102,200,813.60	86,851,849.81
Investment gains (“-” indicating losses)	2,823,065,097.15	2,239,112,985.37
Of which: Gains from investments in associates and joint ventures	307,404,033.83	289,380,170.04
Gains from derecognition of financial assets measured at amortised cost (“-” indicating losses)	-	980,210.99
Net exposure hedging gains (“-” indicating losses)	-	-
Other gains	5,569,131.89	1,454,705.58
Gains from change in fair value (“-” indicating losses)	-658,979,381.34	485,096,527.37
Foreign exchange gains (“-” indicating losses)	1,189,103.37	-
Other business income	26,591,302.30	21,045,948.38
Gain from disposal of assets (“-” indicating losses)	40,633.25	112,562.35
II. Total operating expenses	1,659,150,475.43	1,461,303,332.93
Tax and surcharges	37,869,482.84	36,701,701.93
Business and administrative expenses	1,608,406,149.91	1,408,119,310.12
Asset impairment loss	-	-
Credit impairment loss	1,054,231.75	4,223,939.03
Other asset impairment loss	-	-
Other business costs	11,820,610.93	12,258,381.85
III. Operating profit (“-” indicating loss)	2,375,716,043.18	2,780,072,932.85
Add: Non-operating income	114,187.60	1,588,504.95
Less: Non-operating expenses	16,415,959.90	1,002,267.41

Items	First Quarter of 2020	First Quarter of 2019
IV. Total profit (“-” indicating total loss)	2,359,414,270.88	2,780,659,170.39
Less: Income tax expenses	520,640,841.72	423,485,750.09
V. Net profit (“-” indicating net loss)	1,838,773,429.16	2,357,173,420.30
(I) Net profit from continuing operations (“-” indicating net losses)	1,838,773,429.16	2,357,173,420.30
(II) Net profit from discontinued operations (“-” indicating net losses)	—	—
VI. Other comprehensive income, net of tax	-355,532,871.87	601,587,383.17
(I) Other comprehensive income that will not be reclassified to profit and loss	-343,523,689.99	575,813,633.88
1. Changes in amount of re-measurement of defined benefit plan	—	—
2. Other comprehensive income that will not transfer to profit and loss under the equity method	—	—
3. Change in fair value of other equity instrument investments	-343,523,689.99	575,813,633.88
4. Change in fair value of the enterprise’s own credit risk	—	—
(II) Other comprehensive income that will be reclassified to profit and loss	-12,009,181.88	25,773,749.29
1. Other comprehensive income that will be transferred to profit and loss under equity method	-12,009,181.88	25,773,749.29
2. Change in fair value of other debt investments	—	—
3. Amount of financial assets reclassified to other comprehensive income	—	—
4. Provision for credit losses of other debt investments	—	—
5. Reserve for hedge against cash flow	—	—
6. Exchange differences from translation of financial statements denominated in foreign currencies	—	—
7. Other	—	—
VII. Total comprehensive income	1,483,240,557.29	2,958,760,803.47
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	—	—
(II) Diluted earnings per share (RMB/share)	—	—

Legal representative:
Zhang Wei

Officer in charge of accounting:
Jiao Xiaoning

Head of accounting department:
Fei Lei

Consolidated Cash Flow Statement

January to March 2020

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First quarter of 2020	First quarter of 2019
I. Cash flows from operating activities:		
Cash from sale of products and provision of services	–	–
Net increase in placements from other financial institutions	–	–
Cash received from interest, fees and commissions	7,506,390,215.99	5,688,374,867.79
Net increase in placements from other financial institutions	–	–
Net increase in cash from repurchase business	1,411,522,569.86	20,955,266,354.76
Net cash received from securities brokerage services	16,191,843,353.98	30,718,323,746.13
Cash received relating to other operating activities	11,607,794,653.51	22,598,182,899.00
Subtotal of cash inflows from operating activities	36,717,550,793.34	79,960,147,867.68
Net increase in margin accounts	1,908,844,113.81	12,026,794,676.26
Net increase in financial assets held for trading purpose	13,536,212,244.41	25,683,917,093.41
Net decrease in placements from other financial institutions	1,380,000,000.00	2,630,000,000.00
Net increase in placements with other financial institutions	–	–
Net increase in financial assets purchased under resale agreements	–	–
Cash paid for interest, fees and commissions	3,251,455,841.88	1,760,976,575.17
Cash paid to and paid for employees	1,825,672,771.79	1,623,936,625.73
Taxes paid	935,400,601.80	649,575,526.83
Cash paid relating to other operating activities	202,330,353.45	5,027,120,546.53
Subtotal of cash outflows from operating activities	23,039,915,927.14	49,402,321,043.93
Net cash flow from operating activities	13,677,634,866.20	30,557,826,823.75

Items	First quarter of 2020	First quarter of 2019
II. Cash flows from investing activities:		
Cash received from disposal of investments	775,319,604.03	–
Cash received from investment returns	252,709,730.95	487,671,251.34
Net cash received from disposal of fixed assets, intangible assets and long-term assets	–	56,318.83
Net cash received from disposal of subsidiaries and other business units	–	–
Cash received relating to other investing activities	90,229,452.62	929,216.39
Subtotal of cash inflows from investing activities	1,118,258,787.60	488,656,786.56
Cash paid for investments	2,595,321,363.62	519,330,488.10
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	205,740,049.92	329,207,933.61
Net cash paid for acquisition of subsidiaries and other business units	–	–
Cash paid relating to other investing activities	179,031,245.55	131,100,000.00
Subtotal of cash outflows from investing activities	2,980,092,659.09	979,638,421.71
Net cash flow from investing activities	-1,861,833,871.49	-490,981,635.15
III. Cash flows from financing activities:		
Proceeds from investments	–	–
Of which: Cash contribution from minority interest to subsidiaries	–	–
Proceeds from borrowings	–	–
Proceeds from issuance of bonds	43,826,603,831.93	23,189,620,000.00
Cash received relating to other financing activities	–	–
Subtotal of cash inflows from financing activities	43,826,603,831.93	23,189,620,000.00
Cash repayments of borrowings	40,340,570,811.49	16,376,033,687.32
Cash paid for dividends, profits or interest	610,362,145.72	412,260,430.48
Of which: Dividends and profits paid to minority interest by subsidiaries	–	648,000.00
Cash repayments of lease liabilities	80,698,169.14	71,139,600.13
Cash paid relating to other financing activities	–	–
Subtotal of cash outflows from financing activities	41,031,631,126.35	16,859,433,717.93
Net cash flow from financing activities	2,794,972,705.58	6,330,186,282.07
IV. Effect of exchange rate changes on cash and cash equivalents	93,554,648.49	73,580,008.06
V. Net increase in cash and cash equivalents	14,704,328,348.78	36,470,611,478.73
Add: Balance of cash and cash equivalents at the beginning of the period	152,070,456,856.52	99,628,861,431.84
VI. Balance of cash and cash equivalents at the end of the period	166,774,785,205.30	136,099,472,910.57

Legal representative:
Zhang Wei

Officer in charge of accounting:
Jiao Xiaoning

Head of accounting department:
Fei Lei

Cash Flow Statement of the Parent Company
January to March 2020

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First quarter of 2020	First quarter of 2019
I. Cash flows from operating activities:		
Cash from sale of products and provision of services	–	–
Net increase in placements from other financial institutions	–	–
Cash received from interest, fees and commissions	5,546,697,811.67	3,883,717,297.63
Net increase in placements from other financial institutions	–	–
Net increase in cash from repurchase business	1,423,951,316.01	20,279,954,414.32
Net cash received from securities brokerage services	13,148,615,205.89	30,428,049,902.70
Cash received relating to other operating activities	3,500,486,577.14	1,672,437,546.00
Subtotal of cash inflows from operating activities	23,619,750,910.71	56,264,159,160.65
Net increase in margin accounts	1,956,821,382.88	12,189,596,167.19
Net increase in financial assets held for trading purpose	7,320,085,125.38	21,085,625,074.64
Net decrease in placements from other financial institutions	1,380,000,000.00	2,630,000,000.00
Net increase in placements with other financial institutions	–	–
Net increase in financial assets purchased under resale agreements	–	–
Cash paid for interest, fees and commissions	3,098,421,610.40	1,521,573,388.00
Cash paid to and paid for employees	615,781,134.98	580,724,033.47
Taxes paid	498,884,270.30	216,599,980.15
Cash paid relating to other operating activities	4,971,532,436.52	220,870,508.18
Subtotal of cash outflows from operating activities	19,841,525,960.46	38,444,989,151.63
Net cash flow from operating activities	3,778,224,950.25	17,819,170,009.02

Items	First quarter of 2020	First quarter of 2019
II. Cash flows from investing activities:		
Cash received from disposal of investments	–	–
Cash received from investment returns	159,792,685.40	1,096,474,080.21
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	–	–
Cash received relating to other investing activities	229,452.62	929,216.41
Subtotal of cash inflows from investing activities	160,022,138.02	1,097,403,296.62
Cash paid for investments	283,919,304.28	–
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	51,783,684.74	217,082,497.45
Cash paid relating to other investing activities	–	–
Subtotal of cash outflows from investing activities	335,702,989.02	217,082,497.45
Net cash flow from investing activities	-175,680,851.00	880,320,799.17
III. Cash flows from financing activities:		
Proceeds from investments	–	–
Proceeds from borrowings	–	–
Proceeds from issuance of bonds	41,296,078,113.21	23,189,620,000.00
Cash received relating to other financing activities	–	–
Subtotal of cash inflows from financing activities	41,296,078,113.21	23,189,620,000.00
Cash repayments of borrowings	40,242,660,000.00	14,804,087,066.19
Cash paid for dividends, profits or interest	595,344,867.60	411,612,430.48
Cash repayments of lease liabilities	45,158,176.60	54,282,637.37
Cash paid relating to other financing activities	–	–
Subtotal of cash outflows from financing activities	40,883,163,044.20	15,269,982,134.04
Net cash flow from financing activities	412,915,069.01	7,919,637,865.96
IV. Effect of exchange rate changes on cash and cash equivalents	4,721,352.51	–
V. Net increase in cash and cash equivalents	4,020,180,520.77	26,619,128,674.15
Add: Balance of cash and cash equivalents at the beginning of the period	114,825,117,329.66	70,528,807,525.75
VI. Balance of cash and cash equivalents at the end of the period	118,845,297,850.43	97,147,936,199.90

Legal representative:
Zhang Wei

Officer in charge of accounting:
Jiao Xiaoning

Head of accounting department:
Fei Lei

4.2 Information on the adjustment to the relevant items in financial statements as at the beginning of the year as a result of the initial adoption of the new standards for revenue and the new standards for lease since 2020

Applicable Not applicable

4.3 Description of the retrospective adjustments to comparative data for the previous period arising from the initial adoption of the new standards for revenue and the new standards for lease since 2020

Applicable Not applicable

4.4 Audit Report

Applicable Not applicable