



(GDR under the symbol: "HTSC")

THIRD 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 third quarter ended September 30, 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. Third 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 July 1, 2020 to September 30, 2020
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“%”	per cent.

Huatai Securities Co., Ltd.

October 30, 2020

Company Code: 601688

Abbreviation of Company: HTSC

HUATAI SECURITIES CO., LTD.
THIRD QUARTERLY REPORT OF 2020

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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 legal 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
Hu Xiao	Director	Business engagement	Zhou Yi
Wang Tao	Director	Business engagement	Zhang Wei
Zhu Xuebo	Director	Business engagement	Zhang Wei
Liu Yan	Independent Director	Business engagement	Chen Chuanming
Chen Zhibin	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 third 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	692,130,926,929.02	562,180,638,301.99	23.12
Net assets attributable to shareholders of the listed Company	127,091,989,092.70	122,537,479,427.71	3.72
	Beginning of the year to the end of the Reporting Period (From January to September)	Beginning of the previous year to the end of the reporting period in the previous year (From January to September)	Change (%) as compared to the corresponding period of the previous year
Net cash flow generated from operating activities	6,926,963,568.04	9,197,606,808.79	-24.69

	Beginning of the year to the end of the Reporting Period (From January to September)	Beginning of the previous year to the end of the reporting period in the previous year (From January to September)	Change (%) as compared to the corresponding period of the previous year
Operating revenue	24,335,627,220.74	17,749,900,364.96	37.10
Net profit attributable to the shareholders of the listed Company	8,838,992,580.75	6,440,723,943.13	37.24
Net profit attributable to shareholders of the listed Company excluding extraordinary gains and losses	8,811,523,574.83	6,302,824,326.95	39.80
Weighted average return on net assets (%)	7.04	5.83	Increased by 1.21 percentage points
Basic earnings per share (RMB/share)	0.98	0.75	30.67
Diluted earnings per share (RMB/share)	0.97	0.75	29.33

Items and amount of extraordinary gains and losses

√ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Items	Amount for the Reporting Period (From July to September)	Amount for the Beginning of the year to the end of the Reporting Period (From January to September)
Profit or loss on disposal of non-current assets, including the part offset with the provision for impairment of assets	535,055.09	529,522.67
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	3,109,943.14	55,379,042.15
Other non-operating income and expenses other than the above items	4,708,572.81	-12,840,949.22
Effect of minority interest (net of tax)	-4,325,188.16	-4,744,284.93
Effect of income tax	-2,171,522.25	-10,854,324.75
Total	1,856,860.63	27,469,005.92

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

261,732

Name of shareholder (in full name)	Shareholding of top ten shareholders		Number of shares held subject to selling restrictions	Pledged or frozen shares		Class of shareholder
	Number of shares held as of the end of the Reporting Period	Percentage (%)		Status of shares	Number of shares	
HKSCC Nominees Limited	1,571,032,527	17.31	–	Nil	–	Foreign legal person
Jiangsu Guoxin Investment Group Limited	1,349,233,436	14.86	–	Nil	–	State-owned legal person
Jiangsu Communications Holding Company Limited	487,065,418	5.37	–	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
Hong Kong Securities Clearing Company Limited	257,655,519	2.84	–	Nil	–	Foreign 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
Jiangsu SOHO Holdings Group Co., Ltd.	152,453,685	1.68	–	Nil	–	State-owned legal person
Jiangsu Hiteker High-tech Co., Ltd.	123,169,146	1.36	–	Unknown	123,169,146	Domestic non-state-owned 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	1,571,032,527	Overseas listed foreign shares	1,571,032,527
Jiangsu Guoxin Investment Group Limited	1,349,233,436	Ordinary shares in RMB	1,271,072,836
		Overseas listed foreign shares	78,160,600
Jiangsu Communications Holding Company Limited	487,065,418	Ordinary shares in RMB	450,065,418
		Overseas listed foreign shares	37,000,000
Govtor Capital Group Co., Ltd.	356,233,206	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
Hong Kong Securities Clearing Company Limited	257,655,519	Ordinary shares in RMB	257,655,519
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
Jiangsu SOHO Holdings Group Co., Ltd.	152,453,685	Ordinary shares in RMB	137,473,685
		Overseas listed foreign shares	14,980,000
Jiangsu Hiteker High-tech Co., Ltd.	123,169,146	Ordinary shares in RMB	123,169,146
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, 78,160,600 shares, 37,000,000 shares, 14,205,200 shares and 14,980,000 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 1,715,378,327 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 depositary 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 depositary, the Company had a total of 1,073,140 GDRs in the duration period as of the end of the Reporting Period, accounting for 1.30% 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 253,859 shareholders of A shares and 7,873 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
Clearing settlement funds	32,753,462,754.43	22,470,512,481.84	45.76%	Increase in customer clearing settlement funds
Margin loans	99,803,700,466.94	69,006,279,731.08	44.63%	Increase in the scale of margin loans
Derivative financial assets	3,313,013,422.39	1,858,041,023.13	78.31%	Increase in scale of OTC derivatives and fair value
Refundable deposits	21,213,442,618.81	12,653,540,295.57	67.65%	Increase in future deposits
Debt investments	28,731,746,760.22	19,739,757,154.02	45.55%	Increase in scale of debt investment
Other debt investments	6,579,136,791.63	2,013,233,369.35	226.79%	Increase in scale of debt investment of subsidiaries
Construction in progress	48,699,486.85	29,969,286.34	62.50%	Increase in construction in progress
Short-term borrowings	15,581,365,629.92	5,724,131,184.24	172.20%	Increase in credit short-term borrowings of subsidiaries
Trading financial liabilities	14,743,947,136.20	7,380,183,358.52	99.78%	Increase in structured notes of subsidiaries
Derivative financial liabilities	6,118,220,423.27	1,278,399,239.03	378.58%	Increase in scale of OTC derivatives and fair value
Securities brokerage services	121,068,795,229.25	89,817,920,454.94	34.79%	Increase in customer fund
Securities underwriting services	5,741,500.00	4,031,799.99	42.41%	Increase in underwriting settlement
Tax payables	1,558,961,580.06	1,128,392,498.73	38.16%	Increase in income tax payable
Payables	38,652,467,554.41	11,311,169,937.02	241.72%	Increase in income swap payable
Contract liabilities	47,170,821.40	19,178,960.05	145.95%	Increase in contract liabilities of business sponsorship

Income statement items	Beginning of the year to the end of the report period January-September	Beginning of the previous year to the end of report period in the previous year January-September	Change	Reason of change
Net fee and commission income	10,322,663,814.50	6,866,593,312.58	50.33%	Mainly related to the increase in the fee income from brokerage business and investment banking business
Investment gains “-” indicating losses	13,757,019,909.91	5,922,367,862.82	132.29%	Mainly related to the increase in income from investment and transaction business and joint venture
Other gains	55,379,042.15	187,396,054.77	-70.45%	Decrease in government grants of subsidiaries
Gains from change in fair value “-” indicating losses	-2,393,120,828.02	2,179,202,076.50	-209.82%	Floating loss of financial instruments
Foreign exchange gains “-” indicating losses	-173,303,673.40	70,574,910.92	-345.56%	Change in exchange rate
Tax and surcharges	167,091,478.47	114,152,591.62	46.38%	Increase in taxable income
Business and administrative expenses	10,713,738,013.73	7,808,558,147.15	37.21%	Increase in labor cost
Credit impairment loss	1,127,242,323.05	594,392,207.18	89.65%	Increase in financing impairment allowance
Other asset impairment loss	16,047,891.27	359,310.98	4,366.30%	Increase in impairment allowance of fixed assets and intangible assets of subsidiaries
Non-operating income	24,125,905.61	15,206,686.41	58.65%	Increase in penalty charge of subsidiaries
Non-operating expenses	36,966,854.83	16,258,103.36	127.37%	Increase in expenditures for donations
Other comprehensive income, net of tax	-203,411,220.73	707,574,669.24	-128.75%	Change in fair value of other equity instrument investment and translation of foreign currency statements

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 (Please see Shanghai Stock Exchange announcement 2020-023 for details). As of October 30, 2020, the Company has accumulatively repurchased 88,090,995 A Shares with the highest and lowest purchase prices of RMB23.08 per share and RMB17.19 per share, respectively. The total amount paid was RMB1,626,402,152.88 (exclusive of transaction costs).

2. During the Reporting Period, the Company was assigned an AA rating in A class in the evaluation of securities companies of 2020 carried out by the CSRC.

3. During the Reporting Period, MSCI Inc. (MSCI) uprisd the company's environmental, social and governance (ESG) rating from BB of last year to BBB.

4. During the Reporting Period, Huatai Futures Co., Ltd. (Huatai Futures), a holding subsidiary of the Company completed the re-election of the Board of directors and the Board of Supervisors and Mr. Hu Zhi was appointed as the chairman of the fifth session of the board of directors of Huatai Futures.

5. During the Reporting Period, Huatai Securities (Shanghai) Asset Management Co., Ltd. (Huatai Asset Management), a wholly-owned subsidiary of the Company completed the re-election of the Board of directors and the Board of Supervisors and Mr. Chen Tianxiang and Ms. Jiao Xiaoning were members of the third session of the board of directors of Huatai Asset Management.

6. During the Reporting Period, Huatai Securities (USA), Inc., a wholly-owned US subsidiary of Huatai International Financial Holdings Company Limited which is a wholly-owned subsidiary of the Company obtained qualification for proprietary trading business.

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	October 30, 2020

IV. Appendix

4.1 Financial Statements

Consolidated Balance Sheet September 30, 2020

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	September 30, 2020	December 31, 2019
Assets:		
Monetary capital	131,020,375,654.23	117,098,117,885.53
Of which: Customer fund deposits	83,466,926,106.24	67,244,929,390.74
Clearing settlement funds	32,753,462,754.43	22,470,512,481.84
Of which: Settlement funds from customers	24,592,386,208.41	15,714,908,868.52
Precious metal	—	—
Placements with other financial institutions	—	—
Margin loans	99,803,700,466.94	69,006,279,731.08
Derivative financial assets	3,313,013,422.39	1,858,041,023.13
Refundable deposits	21,213,442,618.81	12,653,540,295.57
Receivables	6,334,315,670.53	5,511,167,782.24
Receivables financing	—	—
Contract assets	—	—
Financial assets held under resale agreements	16,111,288,839.79	18,466,280,279.44
Held-for-sale assets	—	—

Items	September 30, 2020	December 31, 2019
Financial investments:		
Trading financial assets	304,197,404,107.08	252,795,672,184.76
Debt investments	28,731,746,760.22	19,739,757,154.02
Other debt investments	6,579,136,791.63	2,013,233,369.35
Other equity instrument investments	10,467,358,444.58	10,344,741,832.93
Long-term equity investments	16,969,323,302.55	15,639,004,959.63
Investment properties	422,452,139.77	527,089,181.22
Fixed assets	3,649,474,335.84	3,669,141,548.69
Construction in progress	48,699,486.85	29,969,286.34
Right-of-use assets	1,168,555,863.78	969,005,171.53
Intangible assets	5,491,698,790.93	5,711,457,190.27
Goodwill	2,358,922,552.89	2,333,861,981.31
Deferred income tax assets	200,977,634.76	202,825,303.30
Other assets	1,295,577,291.02	1,140,939,659.81
	<hr/>	<hr/>
Total assets	<u>692,130,926,929.02</u>	<u>562,180,638,301.99</u>

Items	September 30, 2020	December 31, 2019
Liabilities:		
Short-term loans	15,581,365,629.92	5,724,131,184.24
Short-term margin loans	54,647,482,147.79	46,425,195,899.76
Placements from other financial institutions	10,009,180,364.05	11,362,598,055.52
Trading financial liabilities	14,743,947,136.20	7,380,183,358.52
Derivative financial liabilities	6,118,220,423.27	1,278,399,239.03
Financial assets sold under repurchase agreements	139,181,460,808.42	109,719,044,669.32
Securities brokerage services	121,068,795,229.25	89,817,920,454.94
Securities underwriting services	5,741,500.00	4,031,799.99
Employee benefits payables	9,877,976,933.30	8,934,386,467.90
Tax payables	1,558,961,580.06	1,128,392,498.73
Payables	38,652,467,554.41	11,311,169,937.02
Contract liabilities	47,170,821.40	19,178,960.05
Held-for-sale liabilities	—	—
Estimated liabilities	101,047.62	101,047.62
Long-term loans	830,379,886.06	850,996,762.28
Bonds payables	80,741,171,662.79	64,616,357,877.71
Of which: Preference shares	—	—
Perpetual bonds	—	—
Lease liabilities	1,219,589,957.08	962,441,274.66
Deferred income	—	—
Deferred income tax liabilities	2,593,621,245.89	2,566,799,587.96
Other liabilities	64,899,588,857.74	74,424,601,054.40
	<hr/>	<hr/>
Total liabilities	<u>561,777,222,785.25</u>	<u>436,525,930,129.65</u>

Items	September 30, 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	70,493,235,199.70	70,290,533,440.50
Less: treasury shares	1,626,546,421.80	—
Other comprehensive income	629,524,714.04	788,767,977.40
Surplus reserve	5,118,690,487.75	5,118,690,487.75
General risk provision	14,194,764,648.57	14,084,426,255.63
Undistributed profits	29,205,670,464.44	23,178,411,266.43
Total equity attributable to the owners (or equity of shareholders) of the parent company	127,091,989,092.70	122,537,479,427.71
Minority interest	3,261,715,051.07	3,117,228,744.63
Total owners' equity (or equity of shareholders)	<u>130,353,704,143.77</u>	<u>125,654,708,172.34</u>
 Total liabilities and owners' equity (or equity of shareholders)	 <u><u>692,130,926,929.02</u></u>	 <u><u>562,180,638,301.99</u></u>
 Legal representative: Zhang Wei	 Officer in charge of accounting: Jiao Xiaoning	 Head of accounting department: Fei Lei

Balance Sheet of the Parent Company

September 30, 2020

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	September 30, 2020	December 31, 2019
Assets:		
Monetary capital	76,729,499,546.93	73,234,252,933.89
Of which: Customer fund deposits	62,752,212,380.35	55,427,774,926.91
Clearing settlement funds	34,057,066,826.44	23,134,062,020.84
Of which: Settlement funds from customers	26,454,109,696.37	15,714,908,868.52
Precious metal	—	—
Placements with other financial institutions	—	—
Margin loans	90,433,593,633.52	68,122,907,968.79
Derivative financial assets	4,560,301,790.34	1,851,978,437.13
Refundable deposits	6,361,148,535.76	4,548,560,513.93
Receivables	5,041,031,172.13	3,041,431,832.79
Receivables financing	—	—
Contract assets	—	—
Financial assets held under resale agreements	13,876,668,280.13	14,155,651,809.05
Held-for-sale assets		
Financial investments:		
Trading financial assets	193,049,694,883.92	171,944,301,348.98
Debt investments	27,165,495,539.47	17,780,766,514.21
Other debt investments	—	—
Other equity instrument investments	10,343,335,373.81	10,307,366,684.26
Long-term equity investments	29,564,497,315.64	28,809,301,135.26
Investment properties	1,227,287,081.78	1,363,936,597.17
Fixed assets	2,596,968,791.67	2,582,214,671.79
Construction in progress	48,685,015.43	29,071,119.99
Right-of-use assets	596,143,705.90	480,501,516.07
Intangible assets	509,877,962.18	646,399,007.55
Goodwill	—	—
Deferred income tax assets	—	—
Other assets	8,134,932,858.07	567,902,412.90
Total assets	504,296,228,313.12	422,600,606,524.60

Items	September 30, 2020	December 31, 2019
Liabilities:		
Short-term loans	—	—
Short-term margin loans	54,990,022,147.79	47,059,475,899.76
Placements from other financial institutions	10,009,180,364.05	11,362,598,055.52
Trading financial liabilities	577,864,479.45	852,335,234.43
Derivative financial liabilities	3,482,830,348.63	953,526,561.74
Financial assets sold under repurchase agreements	123,300,556,551.52	101,900,040,622.94
Securities brokerage services	88,095,610,541.41	70,663,091,611.16
Securities underwriting services	5,741,500.00	4,031,799.99
Employee benefits payables	7,048,221,931.84	6,575,921,093.57
Tax payables	1,302,161,359.75	497,974,458.47
Payables	27,331,509,289.84	8,904,081,927.92
Contract liabilities	—	—
Held-for-sale liabilities	—	—
Estimated liabilities	101,047.62	101,047.62
Long-term loans	—	—
Bonds payables	74,567,184,645.60	61,012,472,156.14
Of which: Preference shares	—	—
Perpetual bonds	—	—
Lease liabilities	595,309,668.26	470,495,569.49
Deferred income	—	—
Deferred income tax liabilities	316,177,417.69	888,227,227.52
Other liabilities	2,095,245,345.28	1,200,167,306.09
Total liabilities	<u>393,717,716,638.73</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	69,229,340,730.06	69,229,337,237.49
Less: treasury shares	1,626,546,421.80	—
Other comprehensive income	226,945,966.86	222,536,430.00
Surplus reserve	5,118,690,487.75	5,118,690,487.75
General risk provision	10,449,591,438.22	10,449,289,789.99
Undistributed profits	18,103,839,473.30	16,159,562,007.01
Total owners' equity (or equity of shareholders)	110,578,511,674.39	110,256,065,952.24
Total liabilities and owners' equity(or equity of shareholders)	<u>504,296,228,313.12</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 September 2020

Prepared by: Huatai Securities Co., Ltd.

Items	Unit: Yuan Currency: RMB		Type of audit: Unaudited	
	Third quarter of 2020 July-September	Third quarter of 2019 July-September	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
I. Total Operating income	8,795,003,459.23	6,643,177,750.41	24,335,627,220.74	17,749,900,364.96
Net interest income	781,548,353.98	387,344,435.28	1,803,681,234.39	1,655,280,854.97
Of which: Interest income	3,032,677,725.00	2,184,673,013.55	7,739,209,074.95	6,401,282,028.33
Interest expenses	2,251,129,371.02	1,797,328,578.27	5,935,527,840.56	4,746,001,173.36
Net fee and commission income	4,522,850,877.21	2,403,842,801.07	10,322,663,814.50	6,866,593,312.58
Of which: Net fee income from brokerage business	2,056,411,899.88	974,576,805.89	4,847,967,123.31	3,217,104,454.49
Net fee income from investment banking business	1,484,043,031.50	596,465,616.69	2,745,530,139.35	1,200,397,710.43
Net fee income from asset management business	954,415,155.83	788,702,418.68	2,530,501,960.28	2,188,081,059.52
Investment gains (“-” indicating losses)	5,151,075,574.65	2,750,053,671.62	13,757,019,909.91	5,922,367,862.82
Of which: Gains from investments in associates and joint ventures	791,622,792.44	868,821,944.21	3,239,804,620.30	2,148,966,267.34
Gains from derecognition of financial assets measured at amortised cost (“-” indicating losses)	-271,238.43	-	-493,343.22	980,210.99
Net exposure hedging gains (“-” indicating losses)	-	-	-	-
Other gains	3,109,943.14	169,617,317.48	55,379,042.15	187,396,054.77
Gains from change in fair value (“-” indicating losses)	-1,630,166,111.66	639,971,814.28	-2,393,120,828.02	2,179,202,076.50
Foreign exchange gains (“-” indicating losses)	-493,495,525.07	15,504,325.81	-173,303,673.40	70,574,910.92
Other business income	459,545,291.89	276,268,116.16	962,778,198.54	868,041,771.68
Gain from disposal of assets (“-” indicating losses)	535,055.09	575,268.71	529,522.67	443,520.72
II. Total operating expenses	5,672,033,875.51	3,608,917,431.06	12,889,046,576.77	9,300,554,523.46
Tax and surcharges	65,438,128.67	37,101,184.18	167,091,478.47	114,152,591.62
Business and administrative expenses	4,249,037,716.92	2,886,472,584.79	10,713,738,013.73	7,808,558,147.15
Credit impairment loss	920,259,964.51	447,671,305.78	1,127,242,323.05	594,392,207.18
Other asset impairment loss	9,666,918.20	2,426,753.82	16,047,891.27	359,310.98
Other business costs	427,631,147.21	235,245,602.49	864,926,870.25	783,092,266.53
III. Operating profit (“-” indicating loss)	3,122,969,583.72	3,034,260,319.35	11,446,580,643.97	8,449,345,841.50
Add: Non-operating income	10,394,939.72	2,755,022.58	24,125,905.61	15,206,686.41
Less: Non-operating expenses	5,686,366.91	6,762,916.64	36,966,854.83	16,258,103.36

Items	Third quarter of 2020 July-September	Third quarter of 2019 July-September	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
IV. Total profit (“-” indicating total loss)	3,127,678,156.53	3,030,252,425.29	11,433,739,694.75	8,448,294,424.55
Less: Income tax expenses	629,097,213.07	642,212,620.21	2,491,949,177.04	1,960,153,840.94
V. Net profit (“-” indicating net loss)	2,498,580,943.46	2,388,039,805.08	8,941,790,517.71	6,488,140,583.61
(I) Classified by continuity of operations				
1. Net profit from continuing operations (“-” indicating net losses)	2,498,580,943.46	2,388,039,805.08	8,941,790,517.71	6,488,140,583.61
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)	2,433,998,150.26	2,383,792,165.63	8,838,992,580.75	6,440,723,943.13
2. Profit or loss of minority interest (“-” indicating net losses)	64,582,793.20	4,247,639.45	102,797,936.96	47,416,640.48
VI. Other comprehensive income, net of tax	-194,263,145.51	59,866,983.04	-203,411,220.73	707,574,669.24
Other comprehensive income attributable to owners of the parent company, net of tax	-124,643,153.99	-32,330,381.61	-159,243,263.36	635,010,951.53
(I) Other comprehensive income that will not be reclassified to profit and loss	254,298,812.63	-103,336,605.92	28,088,951.48	403,847,298.79
1. Changes in amount of re-measurement of defined benefit plan	—	—	—	—
2. Other comprehensive income that will not be transferred to profit and loss under the equity method	—	—	—	—
3. Change in fair value of other equity instrument investments	254,298,812.63	-103,336,605.92	28,088,951.48	403,847,298.79
4. Change in fair value of the enterprise’s own credit risk	—	—	—	—
(II) Other comprehensive income that will be reclassified to profit and loss	-378,941,966.62	71,006,224.31	-187,332,214.84	231,163,652.74
1. Other comprehensive income that will be transferred to profit and loss under equity method	-44,231,863.91	-60,844,963.59	-22,566,980.30	35,435,581.29
2. Change in fair value of other debt investments	52,916,155.31	-10,392,756.79	83,948,910.62	18,187,652.33
3. Amount of financial assets reclassified to other comprehensive income	—	—	—	—
4. Provision for credit losses of other debt investments	-21,971,124.54	-744,195.60	—	—
5. Reserve for hedge against cash flow	3,628,776.99	—	-40,765,308.32	—
6. Exchange differences from translation of financial statements denominated in foreign currencies	-369,283,910.47	142,988,140.29	-207,948,836.84	177,540,419.12
7. Other	—	—	—	—
Other comprehensive income attributable to minority interest, net of tax	-69,619,991.52	92,197,364.65	-44,167,957.37	72,563,717.71

Items	Third quarter of 2020 July-September	Third quarter of 2019 July-September	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
VII. Total comprehensive income	2,304,317,797.95	2,447,906,788.12	8,738,379,296.98	7,195,715,252.85
Total comprehensive income attributable to owners of the parent company	2,309,354,996.27	2,351,461,784.02	8,679,749,317.39	7,075,734,894.66
Total comprehensive income attributable to minority interest	-5,037,198.32	96,445,004.10	58,629,979.59	119,980,358.19
VIII. Earnings per share:				
(I) Basic earnings per share (RMB/share)	0.27	0.26	0.98	0.75
(II) Diluted earnings per share (RMB/share)	0.27	0.26	0.97	0.75
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 September 2020

Prepared by: Huatai Securities Co., Ltd.

Items	Unit: Yuan Currency: RMB		Type of audit: Unaudited	
	Third quarter of 2020 July-September	Third quarter of 2019 July-September	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
I. Total Operating income	4,781,985,387.78	3,408,884,207.32	12,778,980,192.35	10,322,116,685.15
Net interest income	544,250,750.99	210,592,919.90	1,266,602,648.06	1,125,752,269.79
Of which: Interest income	2,579,158,070.47	1,840,214,224.85	6,601,032,043.84	5,382,419,035.12
Interest expenses	2,034,907,319.48	1,629,621,304.95	5,334,429,395.78	4,256,666,765.33
Net fee and commission income	2,079,114,428.24	966,243,458.67	5,027,931,494.88	3,286,665,634.11
Of which: Net fee income from brokerage business	1,936,660,458.44	863,807,460.88	4,611,804,239.87	2,982,822,508.82
Net fee income from investment banking business	113,668,601.56	84,449,367.23	342,470,253.47	243,837,464.86
Net fee income from asset management business	—	—	—	—
Investment gains (“-” indicating losses)	1,658,710,104.97	1,760,532,596.25	7,343,854,007.32	4,327,668,895.04
Of which: Gains from investments in associates and joint ventures	322,024,729.53	348,321,873.64	1,091,017,732.65	823,582,101.09
Gains from derecognition of financial assets measured at amortised cost (“-” indicating losses)	—	—	—	980,210.99
Net exposure hedging gains (“-” indicating losses)	—	—	—	—
Other gains	6,084,386.88	6,817,546.33	34,313,112.92	15,588,139.84
Gains from change in fair value (“-” indicating losses)	773,638,397.24	403,444,572.47	-785,820,970.73	1,424,224,301.88
Foreign exchange gains (“-” indicating losses)	-307,568,593.99	15,318,719.05	-188,535,492.12	60,629,898.15
Other business income	27,763,043.91	45,339,656.32	80,571,208.88	81,201,991.16
Gain from disposal of assets (“-” indicating losses)	-7,130.46	594,738.33	64,183.14	385,555.18
II. Total operating expenses	3,163,244,749.18	1,864,603,959.66	6,932,790,622.80	4,751,455,705.33
Tax and surcharges	52,819,132.39	31,338,840.89	138,730,971.49	101,025,760.88
Business and administrative expenses	2,206,305,592.76	1,507,958,429.90	5,659,302,896.51	4,154,355,955.23
Credit impairment loss	892,900,622.24	313,091,008.09	1,099,975,505.94	459,185,813.77
Other asset impairment loss	—	—	—	—
Other business costs	11,219,401.79	12,215,680.78	34,781,248.86	36,888,175.45
III. Operating profit (“-” indicating loss)	1,618,740,638.60	1,544,280,247.66	5,846,189,569.55	5,570,660,979.82
Add: Non-operating income	75,726.40	1,629,195.19	1,827,754.39	8,778,062.73
Less: Non-operating expenses	4,246,536.05	4,946,022.68	25,538,547.31	7,780,494.92

Items	Third quarter of 2020 July-September	Third quarter of 2019 July-September	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
IV. Total profit (“-” indicating total loss)	1,614,569,828.95	1,540,963,420.17	5,822,478,776.63	5,571,658,547.63
Less: Income tax expenses	323,136,274.85	298,159,038.86	1,176,504,672.31	996,983,150.93
V. Net profit (“-” indicating net loss)	1,291,433,554.10	1,242,804,381.31	4,645,974,104.32	4,574,675,396.70
(I) Net profit from continuing operations (“-” indicating net losses)	1,291,433,554.10	1,242,804,381.31	4,645,974,104.32	4,574,675,396.70
(II) Net profit from discontinued operations (“-” indicating net losses)	—	—	—	—
VI. Other comprehensive income, net of tax	210,066,948.72	-164,181,569.51	4,409,536.86	439,282,880.08
(I) Other comprehensive income that will not be reclassified to profit and loss	254,298,812.63	-103,336,605.92	26,976,517.16	403,847,298.79
1. Changes in amount of re-measurement of defined benefit plan	—	—	—	—
2. Other comprehensive income that will not be transferred to profit and loss under the equity method	—	—	—	—
3. Change in fair value of other equity instrument investments	254,298,812.63	-103,336,605.92	26,976,517.16	403,847,298.79
4. Change in fair value of the enterprise’s own credit risk	—	—	—	—
(II) Other comprehensive income that will be reclassified to profit and loss	-44,231,863.91	-60,844,963.59	-22,566,980.30	35,435,581.29
1. Other comprehensive income that will be transferred to profit and loss under equity method	-44,231,863.91	-60,844,963.59	-22,566,980.30	35,435,581.29
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	1,501,500,502.82	1,078,622,811.80	4,650,383,641.18	5,013,958,276.78
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 September 2020

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
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	20,992,000,286.62	17,439,894,141.36
Net increase in placements from other financial institutions	—	2,754,576,163.10
Net decrease in margin accounts	—	—
Net increase in cash from repurchase business	28,695,516,500.28	74,776,609,988.77
Net cash received from securities brokerage services	31,196,190,481.32	23,435,462,675.59
Cash received relating to other operating activities	29,701,362,854.31	23,642,356,044.61
Subtotal of cash inflows from operating activities	110,585,070,122.53	142,048,899,013.43
Net increase in margin accounts	32,044,703,392.00	14,251,943,586.29
Net increase in financial assets held for trading purpose	32,325,824,588.48	95,487,947,053.35
Net increase in placements with other financial institutions	—	—
Net increase in financial assets purchased under resale agreements	—	—
Net decrease in placements from other financial institutions	1,367,044,610.55	—
Cash paid for interest, fees and commissions	5,249,120,216.61	3,967,337,742.88
Cash paid to and paid for employees	6,408,904,996.77	5,133,656,327.94
Taxes paid	2,986,473,375.78	1,874,529,006.23
Cash paid relating to other operating activities	23,276,035,374.30	12,135,878,487.95
Subtotal of cash outflows from operating activities	103,658,106,554.49	132,851,292,204.64
Net cash flow from operating activities	6,926,963,568.04	9,197,606,808.79

Items	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
II. Cash flows from investing activities:		
Cash received from disposal of investments	1,424,471,748.76	174,100,830.15
Cash received from investment returns	1,220,446,250.15	589,682,411.46
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	—	—
Net cash received from disposal of subsidiaries and other business units	—	—
Cash received relating to other investing activities	98,145,738.04	1,452,794.78
Subtotal of cash inflows from investing activities	2,743,063,736.95	765,236,036.39
Cash paid for investments	13,550,915,690.35	1,942,876,768.72
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	534,331,686.55	1,033,802,133.39
Net cash paid for acquisition of subsidiaries and other business units	130,049,502.60	646,354,013.52
Cash paid relating to other investing activities	390,602,110.07	207,715,132.00
Subtotal of cash outflows from investing activities	14,605,898,989.57	3,830,748,047.63
Net cash flow from investing activities	-11,862,835,252.62	-3,065,512,011.24
III. Cash flows from financing activities:		
Proceeds from investments	—	13,620,372,744.40
Of which: Cash contribution from minority interest to subsidiaries	—	2,033,711,336.44
Proceeds from borrowings	10,037,553,795.53	—
Proceeds from issuance of bonds	152,749,535,504.09	87,537,661,096.53
Cash received relating to other financing activities	—	—
Subtotal of cash inflows from financing activities	162,787,089,299.62	101,158,033,840.93
Cash paid for repayments of borrowings	128,385,972,246.78	66,665,223,646.42
Cash paid for dividends, profits or interest	5,369,283,448.93	5,066,772,991.72
Of which: Dividends and profits paid to minority interest by subsidiaries	—	648,000.00
Cash paid for repayments of lease liabilities	216,091,698.21	252,517,620.84
Cash paid relating to other financing activities	1,626,546,421.80	176,736,497.14
Subtotal of cash outflows from financing activities	135,597,893,815.72	72,161,250,756.12
Net cash flow from financing activities	27,189,195,483.90	28,996,783,084.81
IV. Effect of exchange rate changes on cash and cash equivalents	-314,098,559.15	305,384,762.56
V. Net increase in cash and cash equivalents	21,939,225,240.17	35,434,262,644.92
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	174,009,682,096.69	135,063,124,076.76
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 September 2020

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
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	13,369,508,167.62	11,630,524,458.32
Net increase in placements from other financial institutions	—	2,754,576,163.10
Net decrease in margin accounts	—	—
Net increase in cash from repurchase business	19,648,239,648.60	73,294,823,009.53
Net cash received from securities brokerage services	17,432,518,930.25	21,633,921,818.04
Cash received relating to other operating activities	16,591,083,507.16	4,389,579,112.08
Subtotal of cash inflows from operating activities	67,041,350,253.63	113,703,424,561.07
Net increase in margin accounts	23,656,542,774.16	14,251,943,586.29
Net increase in financial assets held for trading purpose	14,624,204,372.22	80,037,880,701.51
Net increase in placements with other financial institutions	—	—
Net increase in financial assets purchased under resale agreements	—	—
Net decrease in placements from other financial institutions	1,367,044,610.55	—
Cash paid for interest, fees and commissions	3,983,582,660.37	3,313,389,725.24
Cash paid to and paid for employees	3,351,041,047.32	2,472,951,616.85
Taxes paid	1,885,953,425.47	849,220,833.68
Cash paid relating to other operating activities	9,528,502,851.15	2,723,186,241.72
Subtotal of cash outflows from operating activities	58,396,871,741.24	103,648,572,705.29
Net cash flow from operating activities	8,644,478,512.39	10,054,851,855.78

Items	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
II. Cash flows from investing activities:		
Cash received from disposal of investments	–	–
Cash received from investment returns	821,968,977.80	1,190,206,378.21
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	–	–
Cash received relating to other investing activities	6,033,671.73	1,243,272.60
Subtotal of cash inflows from investing activities	828,002,649.53	1,191,449,650.81
Cash paid for investments	9,385,739,079.57	1,584,011,053.84
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	275,014,326.71	488,807,908.48
Cash paid for acquisition of subsidiaries and other business units	–	1,526,622,240.00
Cash paid relating to other investing activities	–	–
Subtotal of cash outflows from investing activities	9,660,753,406.28	3,599,441,202.32
Net cash flow from investing activities	-8,832,750,756.75	-2,407,991,551.51
III. Cash flows from financing activities:		
Proceeds from investments	–	11,586,661,407.96
Proceeds from borrowings	–	–
Proceeds from issuance of bonds	150,947,568,048.98	84,666,990,000.00
Cash received relating to other financing activities	–	–
Subtotal of cash inflows from financing activities	150,947,568,048.98	96,253,651,407.96
Cash paid for repayments of borrowings	129,497,907,000.00	65,367,384,000.00
Cash paid for dividends, profits or interest	5,353,675,813.09	4,887,363,031.67
Cash paid for repayments of lease liabilities	154,297,566.85	134,295,836.45
Cash paid relating to other financing activities	1,626,546,421.80	–
Subtotal of cash outflows from financing activities	136,632,426,801.74	70,389,042,868.12
Net cash flow from financing activities	14,315,141,247.24	25,864,608,539.84
IV. Effect of exchange rate changes on cash and cash equivalents	-214,036,804.62	60,629,898.15
V. Net increase in cash and cash equivalents	13,912,832,198.26	33,572,098,742.26
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	128,737,949,527.92	104,100,906,268.01
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