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中国银河证券股份有限公司
CHINA GALAXY SECURITIES CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 06881)

2019 THIRD QUARTERLY REPORT

This announcement is made by China Galaxy Securities Co., Ltd. (the "**Company**") pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09(2) and 13.10B of the Listing Rules.

I. IMPORTANT NOTICE

1.1 The board of directors (the "**Board**"), supervisory committee, the directors, supervisors and senior management officers of the Company confirm that the information contained in this quarterly report is true, accurate, and complete without any false and misleading statements or material omissions, and individually and jointly accept legal responsibility for the contents of the report.

1.2 All directors of the Company attended the Board meeting to consider this quarterly report.

1.3 Chen Gongyan, person-in-charge of the Company, Wu Chengming, person-in-charge of the accounting affairs and Fan Minfei, person-in-charge of the accounting department (head of accounting), guaranteed the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

1.4 The third quarterly report of the Company is unaudited.

II. BASIC INFORMATION OF THE COMPANY

2.1 Financial Highlights

Unit: Yuan
Currency: RMB

	As at 30 September 2019	As at 31 December 2018	Change as compared to the end of last year (%)
Total assets	304,133,831,222.27	251,363,290,117.14	20.99
Net assets attributable to shareholders of the Company	69,493,569,601.49	65,982,087,431.27	5.32

	Nine months ended 30 September 2019	Nine months ended 30 September 2018	Change as compared to the same period of last year (%)
Net cash flow from operating activities	30,323,666,698.01	8,945,299,933.01	238.99

	Nine months ended 30 September 2019	Nine months ended 30 September 2018	Change as compared to the same period of last year (%)
Operating income	12,043,714,920.85	6,328,408,172.78	90.31
Net profit attributable to shareholders of the Company	3,860,235,940.60	1,869,737,198.88	106.46
Net profit attributable to shareholders of the Company excluding extraordinary items	3,867,549,634.99	1,867,090,309.43	107.14
Return on weighted average net assets (%)	5.67	2.87	Increased by 2.80 percentage points
Basic earnings per share (Yuan/share)	0.38	0.18	111.11
Diluted earnings per share (Yuan/share)	N/A	N/A	N/A

Extraordinary Items of Gains and Losses and Amount

✓Applicable ☐ Not Applicable

Unit: Yuan
Currency: RMB

Items	July to September 2019	Nine months ended 30 September 2019	Note
Profit/loss on disposal of non-current assets	62,994.14	395,484.79	Gains on disposal of fixed assets
Government subsidies accounted into profit and loss for the current period (except for those closely associated with the normal operations of the Company which were granted on an on-going basis and accounted for in certain standard amount or volume in compliance with the requirements of the policies of the State)	12,457,603.97	22,999,878.15	Mainly due to non-operating government subsidies
Other non-operating income and expenses save for the above	-30,629,083.62	-32,046,254.06	
Effect on income tax	4,524,601.32	2,150,770.08	
Total	-13,583,884.19	-6,500,121.04	

2.2 Total number of shareholders, particulars about shareholdings of the top ten shareholders and top ten shareholders of circulating shares (or shareholders not subject to selling restrictions) as of the end of the reporting period

Unit: Share

Total number of shareholders (account) (Note 1)	**A total of 111,223 accounts**

Shareholding of the Top Ten Shareholders

Name of shareholder (Full name)	Number of shares held as at 30 September 2019	Percentage (%)	Number of shares subject to selling restrictions	Pledged or frozen: Status of shares	Pledged or frozen: Number of shares	Nature of shareholder
China Galaxy Financial Holdings Company Limited	5,186,538,364	51.16	5,160,610,864	Nil	0	State-owned legal person
HKSCC Nominees Limited (Note 2)	3,688,055,096	36.38	0	Nil	0	Foreign legal person
China Securities Finance Corporation Limited	84,078,210	0.83	0	Nil	0	State-owned legal person
Account No.1 of National Council for Social Security Fund	57,132,376	0.56	57,132,376	Nil	0	State-owned legal person
Bank of Lanzhou Co., Ltd.	43,070,130	0.42	0	Nil	0	Domestic non state-owned legal person
Shanghai Rural Commercial Bank Co., Ltd.	31,000,000	0.31	0	Nil	0	Domestic non state-owned legal person
Joincare Pharmaceutical Industry Group Co., Ltd.	25,983,000	0.26	0	Nil	0	Domestic non state-owned legal person
Zhongshan Zhonghui Investment Group Company Limited	19,241,213	0.19	0	Nil	0	State-owned legal person
China Resources Co., Ltd.	17,979,809	0.18	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited (Note3)	15,077,848	0.15	0	Nil	0	Foreign legal person

Unit: Share

Shareholding of the Top Ten Shareholders not subject to Selling Restrictions

Name of shareholder	Number of circulating shares not subject to selling restrictions	Class and number of shares: Class	Number of shares
HKSCC Nominees Limited	3,688,055,096	Overseas listed foreign shares	3,688,055,096
China Securities Finance Corporation Limited	84,078,210	RMB ordinary shares	84,078,210
Bank of Lanzhou Co., Ltd.	43,070,130	RMB ordinary shares	43,070,130
Shanghai Rural Commercial Bank Co., Ltd.	31,000,000	RMB ordinary shares	31,000,000
Joincare Pharmaceutical Industry Group Co., Ltd.	25,983,000	RMB ordinary shares	25,983,000
Zhongshan Zhonghui Investment Group Company Limited	19,241,213	RMB ordinary shares	19,241,213
China Resources Co., Ltd.	17,979,809	RMB ordinary shares	17,979,809
Hong Kong Securities Clearing Company Limited	15,077,848	RMB ordinary shares	15,077,848
Shenzhen State-Owned Duty Free Commodity (Group) Co., Ltd.	13,468,849	RMB ordinary shares	13,468,849
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	11,793,083	RMB ordinary shares	11,793,083

Explanation on the connected relationship of the shareholders and action in concert among the aforesaid shareholders	The Company is not aware of any connected relationship or any parties acting in concert among the aforesaid shareholders. HKSCC Nominees Limited and Hong Kong Securities Clearing Company Limited are both wholly owned subsidiaries of The Stock Exchange of Hong Kong Limited, holding H Shares and A Shares of the Company on behalf of H share investors and Shanghai Connect investors of the Company, respectively.
Description on shareholders of preference shares whose voting rights had resumed and their shareholdings	Nil

Note 1: As of the end of the reporting period, there are 111,223 shareholders of the Company, among which 110,477 are holders of A shares and 746 are holders of H shares.

Note 2: HKSCC Nominees Limited is the nominee holder on behalf of the non-registered shareholders of the H shares of the Company, which held the H shares on behalf of various customers, including 25,927,500 H shares of the Company held by China Galaxy Financial Holdings Company Limited.

Note 3: Hong Kong Securities Clearing Company Limited is the nominee holder on behalf of Shanghai Connect investors holding A Shares of the Company.

2.3 As of the end of the reporting period, particulars about total number of shareholders of preference shares, shareholding of the top ten shareholders of preference shares and top ten shareholders of preference shares not subject to selling restrictions

☐ Applicable ✓Not Applicable

III. IMPORTANT MATTERS

3.1 Details and reasons for material changes in major items of financial statements and financial indices of the Company

✓Applicable ☐ Not Applicable

Unit: Yuan
Currency: RMB

Items	As at 30 September 2019	As at 31 December 2018	Increase/ Decrease (%)	Main reasons
Cash and bank balances	70,311,889,882.82	51,413,630,839.26	36.76	The enlarged scale of customers' fund
Derivative financial assets	80,140,765.11	76,290,608.09	5.05	The enlarged scale of over-the-counter options businesses
Refundable deposits	7,253,413,558.29	5,275,827,016.16	37.48	Increase in refundable deposits from customers
Accounts receivable	7,834,153,452.45	643,111,618.52	1,118.16	Settlement amounts of the Company's new overseas subsidiary against stock exchanges and brokers recorded in this item according to the local settlement rules in this year
Financial assets held for trading	71,863,054,538.81	60,338,281,556.50	19.10	Increase in bond investment
Debt investments	1,239,694,374.48	5,061,777,671.50	-75.51	Due to the inclusion of the consolidated structured products that require settlement upon maturity
Investment in other equity instruments	14,297,024,238.36	9,777,434,930.60	46.22	Increase of investment in perpetual bonds
Long-term equity investments	1,314,729,283.37	876,823,011.05	49.94	Joint ventures newly acquired
Right-of-use assets	1,385,295,804.50	N/A	N/A	Use of new items from the new lease standards
Goodwill	441,035,463.66	223,277,619.51	97.53	Subsidiaries newly acquired
Deferred tax assets	101,875,617.35	477,454,435.73	-78.66	Changes in the fair value of financial instruments
Other assets	3,379,760,503.27	1,973,164,580.11	71.29	Increase in advances caused by increase in the Company's new overseas subsidiaries and increase in the parent company's charge receivable for over-the-counter options
Short-term borrowings	5,508,078,246.53	3,010,778,176.97	82.95	Increase in short-term borrowings of the Company's new subsidiary in this year
Short-term financing instrument payables	9,806,139,934.34	6,760,451,698.62	45.05	Increase in newly issued short-term financing instruments
Due to banks	2,902,556,537.09	2,001,885,771.10	44.99	The enlarged scale of due to banks
Financial liabilities held for trading	2,059,905,600.22	1,458,698,493.71	41.22	Increase in the scope of the swap business
Derivative financial liabilities	696,261,098.43	213,412,804.87	226.25	Increase in over-the-counter commodity options investment for hedging and arbitrage by Galaxy Futures' subsidiary, Galaxy Derivatives
Financial assets sold under repurchase agreements	44,188,692,199.88	28,059,940,329.82	57.48	Increase in the scope of the dealer-quoted repurchase business

Unit: Yuan
Currency: RMB

Items	As at 30 September 2019	As at 31 December 2018	Increase/ Decrease (%)	Main reasons
Accounts payable to brokerage clients	79,495,801,693.11	56,695,274,280.97	40.22	The enlarged scale of customers' fund
Tax payable	342,971,684.70	164,953,547.00	107.92	Increase in payment of individual income tax on behalf of other entities
Lease liabilities	1,360,750,713.32	N/A	N/A	Use of new items from the new lease standards
Deferred tax liabilities	259,788,804.06	10,096,290.42	2,473.11	Due to the changes in the fair value
Other liabilities	2,934,461,841.14	3,483,973,192.65	-15.77	Decrease in accounts payable of consolidated structured entities
Other comprehensive income	768,608,783.69	205,075,838.18	274.79	Changes in the fair value of other debt investments and other equity instrument investments

Unit: Yuan
Currency: RMB

Items	Nine months ended 30 September 2019	Nine months ended 30 September 2018	Increase/ Decrease (%)	Main reasons
Investment gains	1,707,370,407.81	-1,139,717,118.56	249.81	Increase in gains from bond investments and decrease in losses from stock investments
Gains from changes in fair value	1,659,587,931.84	1,021,019,606.04	62.54	Increase in changes of fair value of fixed revenue investment
Other operating incomes	1,565,778,294.96	34,921,098.93	4,383.76	Increase in revenue of the warehouse receipts business of Galaxy Derivatives Capital Management Company Limited ("**Galaxy Derivatives**") (a subsidiary of Galaxy Futures Company Limited ("**Galaxy Futures**"))
Gains from disposal of assets	395,484.79	701,063.40	-43.59	Decrease in gains from disposal of fixed assets
General and administrative expenses	5,234,174,107.78	3,527,789,280.14	48.37	Increase in staff cost
Impairment losses on assets	7,799,770.90	–	100.00	Impairment losses on warehouse receipts of Galaxy Derivatives
Impairment losses on credits	46,724,802.96	316,506,930.63	-85.24	Decrease in provision for impairment losses on credit business
Other operating expenses	1,522,365,756.62	13,335,922.25	11,315.53	Increase in costs of the warehouse receipts business of Galaxy Derivatives
Non–operating income	10,276,926.24	21,919,018.11	-53.11	Decrease in government subsidies
Non–operating expense	34,102,062.25	13,815,938.94	146.83	Increase in poverty alleviation expenditures
Income tax expense	1,240,468,103.69	505,389,405.00	145.45	Increase in enterprise income tax caused by increase in revenue
Net cash flow from operating activities	30,323,666,698.01	8,945,299,933.01	238.99	Mainly due to the net increase in the net cash received from securities brokerage and in funds for repurchase business

3.2 Analysis and description of the progress, impact and solutions of the important matters

✓Applicable ☐ Not Applicable

(1) Material Litigation and Arbitration

The 2019 interim report of the Company disclosed the status of the additional or progressing litigations of the Company as of 27 August 2019 (i.e. the date of the disclosure of the 2019 interim report of the Company).

Among such litigations, as of the date of the disclosure of this report, the latest update of progress of the dispute in relation to stock pledge repurchase transactions between the Company and Changchun Xiangsheng Investment Management Co., Ltd. ("**Xiangsheng Investment**") is disclosed as follows:

As Xiangsheng Investment failed to fulfil the repayment obligation within the prescribed period specified in the Arbitral Award ((2019) Beijing Arbitration No. 1079) (for details in respect of the arbitration between the Company and Xiangsheng Investment, please refer to the Company's announcements disclosed on 3 September 2018 and 11 July 2019), the application materials for enforcement which were submitted by the Company to the Intermediate People's Court of Changchun City of Jilin Province in August 2019 were accepted.

The Company has filed a litigation with Beijing No. 2 Intermediate People's Court against the guarantor of Xiangsheng Investment. The Company has received the Civil Judgment ((2019) Jing 02 Min Chu No. 281) issued by Beijing No. 2 Intermediate People's Court in September 2019 (for details in respect of the litigation between the Company and Zhang Wen and Changchun Baisheng Tianqi Trading Co., Ltd., please refer to the Company's announcement disclosed on 4 April 2019), which ordered that: Zhang Wen and Changchun Baisheng Tianqi Trading Co., Ltd. shall assume the joint and several repayment obligation in relation to the liabilities determined in items (I) and (II) of the Arbitral Award ((2019) Beijing Arbitration No. 1079) within 10 days upon the effectiveness of the award; and other litigation claims of the Company are rejected. For details, please refer to the Company's announcement disclosed on 11 October 2019.

The Company considers that the above legal proceedings will not have direct material adverse impact on the business, financial position or operating results of the Company.

(2) Galaxy Futures received disciplinary sanctions of Shanghai Stock Exchange (the "**SSE**")

From 7 May 2019 to 10 May 2019, the SSE conducted an on-site inspection on the stock option brokerage business of Galaxy Futures and identified deficiencies in management of spot securities brokerage business, management of investor suitability and management of program trading. On 3 July 2019, Galaxy Futures has submitted the written rectification report in response to the requirements of the SSE. On 11 September 2019, based on the results of on-site inspection, according to the relevant requirements of the Trading Rules of Stock Option (《股票期權交易規則》), the Implementation Measures for Disciplinary Sanctions and Regulatory Actions of Shanghai Stock Exchange (《上海證券交易所紀律處分和監管措施實施辦法》), the SSE made the Decision on Disciplinary Sanctions against Galaxy Futures Company Limited ([2019] No.74), suspending the trading permission of stock option brokerage business (for new clients only) of Galaxy Futures for 3 months, Galaxy Futures therefore cannot accept new clients commission for stock option trading from 12 September 2019 to 11 December 2019. Currently, Galaxy Futures is implementing various rectification measures of the rectification report and steadily advancing different rectification plans in order to fully enhance the compliance level of stock option brokerage business in terms of management of spot securities brokerage business, management of investor suitability and management of program trading so as to avoid the reoccurrence of similar events. Such disciplinary sanctions have no material impact on the normal operation of the Company.

(3) The Company received an approval for the issuance of financial bonds

In September 2019, the Company received the "Affirmative Decision of Administrative License by the People's Bank of China" (Yin Shi Chang Xu Zhun Yu Zi [2019] No. 164) (the "**Affirmative Decision of Administrative License**"). Pursuant to the Affirmative Decision of Administrative License, the Company was permitted by the People's Bank of China to issue financial bonds with an amount not more than RMB6 billion; the approved amount will be valid for one year from the date of the issuance of the Affirmative Decision of Administrative License. The financial bonds may be issued at any time to be determined by the Company during the valid period. For details, please refer to the announcement disclosed by the Company on 23 September 2019.

(4) The Company issued 2019 first tranche of short-term financing bill

The Company has completed the issuance of 2019 first tranche of short-term financing bill on 21 October 2019. The issue size of the short-term financing bill is RMB1 billion with a term of 88 days and a coupon rate of 2.87% per annum. The proceeds will be mainly used to supplement the working capital of the Company. For details, please refer to the announcement disclosed by the Company on 21 October 2019.

(5) The Company appointed the chief risk officer

On 28 October 2019, the "Proposal on Appointing Mr. Chen Liang as the Company's Chief Risk Officer" was reviewed and adopted at the 54th meeting of the third session of the Board, approving the appointment of Mr. Chen Liang, the President, as the chief risk officer of the Company.

(6) The impacts on the implementation of revised financial statement formats for financial enterprises

The Ministry of Finance issued the "Notice on Revising and Issuing Financial Statement Formats for Financial Enterprises for 2018" (《關於修訂印發2018年度金融企業財務報表格式的通知》) (Cai Kuai [2018] No. 36) in December 2018. The Company prepared the financial statements for the third quarter of 2019 in accordance with the formats required by the notice. To improve the comparability of the data in the financial statement, the Company reclassified "investment gains" and "net interest income" in the statement of profit or loss for the third quarter of 2018 according to the new format requirements. The adjustment does not affect the Company's operating income and net profit in the third quarter of 2018.

3.3 Overdue commitments that have not been fulfilled during the reporting period

☐ Applicable ✓Not Applicable

3.4 Warning and explanation of reasons as to the anticipated loss in accumulated net profit from the beginning of the year to the end of the next reporting period or significant changes of profit as compared with that of the corresponding period of last year

☐ Applicable ✓Not Applicable

Name of the Company:	China Galaxy Securities Co., Ltd.
Legal Representative:	Chen Gongyan
Date:	28 October 2019

IV. APPENDIX

4.1 Financial Statements

Consolidated Statement of Financial Position

30 September 2019

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan
Currency: RMB
Type of audit: Unaudited

Items	**As at 30 September 2019**	**As at 31 December 2018**
Assets:		
Cash and bank balances	70,311,889,882.82	51,413,630,839.26
Including: Cash held on behalf of customers	62,161,123,572.26	42,528,973,315.11
Clearing settlement funds	14,578,150,382.41	12,686,542,694.97
Including: Customer settlement funds	11,730,243,430.65	11,623,904,758.46
Advances to customers	53,806,315,726.69	44,631,942,885.04
Derivative financial assets	80,140,765.11	76,290,608.09
Refundable deposits	7,253,413,558.29	5,275,827,016.16
Accounts receivable	7,834,153,452.45	643,111,618.52
Financial assets held under resale agreements	34,816,168,538.11	39,967,073,540.41
Financial investments:		
Financial assets held for trading	71,863,054,538.81	60,338,281,556.50
Debt investments	1,239,694,374.48	5,061,777,671.50
Other debt investments	20,660,815,912.52	17,299,229,632.64
Investment in other equity instruments	14,297,024,238.36	9,777,434,930.60
Long-term equity investments	1,314,729,283.37	876,823,011.05
Investment properties	8,083,350.00	8,230,837.50
Fixed assets	270,526,495.75	241,529,767.81
Right-of-use assets	1,385,295,804.50	N/A
Intangible assets	491,703,334.32	391,666,871.74
Goodwill	441,035,463.66	223,277,619.51
Deferred tax assets	101,875,617.35	477,454,435.73
Other assets	3,379,760,503.27	1,973,164,580.11
Total assets	304,133,831,222.27	251,363,290,117.14

Items	As at 30 September 2019	As at 31 December 2018
Liabilities:		
Short-term borrowings	5,508,078,246.53	3,010,778,176.97
Short-term financing instrument payables	9,806,139,934.34	6,760,451,698.62
Due to banks	2,902,556,537.09	2,001,885,771.10
Financial liabilities held for trading	2,059,905,600.22	1,458,698,493.71
Derivative financial liabilities	696,261,098.43	213,412,804.87
Financial assets sold under repurchase agreements	44,188,692,199.88	28,059,940,329.82
Accounts payable to brokerage clients	79,495,801,693.11	56,695,274,280.97
Accrued staff costs	3,168,050,867.68	2,591,518,580.56
Tax payable	342,971,684.70	164,953,547.00
Accounts payable	7,273,633,622.21	1,073,023,009.24
Bonds payable	73,610,803,387.78	79,501,423,016.78
Lease liabilities	1,360,750,713.32	N/A
Deferred tax liabilities	259,788,804.06	10,096,290.42
Other liabilities	2,934,461,841.14	3,483,973,192.65
Total Liabilities	233,607,896,230.49	185,025,429,192.71
Shareholder's equity:		
Share capital	10,137,258,757.00	10,137,258,757.00
Capital reserve	25,022,962,531.07	25,022,895,958.83
Other comprehensive income	768,608,783.69	205,075,838.18
Surplus reserve	5,600,288,469.98	5,600,288,469.98
General risk reserve	8,936,345,567.07	8,936,345,567.07
Retained earnings	19,028,105,492.68	16,080,222,840.21
Total equity attributable to the shareholders of the Company	69,493,569,601.49	65,982,087,431.27
Non-controlling interests	1,032,365,390.29	355,773,493.16
Total equity of the shareholders	70,525,934,991.78	66,337,860,924.43
Total liabilities and equity of the shareholders	304,133,831,222.27	251,363,290,117.14

Legal Representative:	Person-in-charge of accounting affairs:	Person-in-charge of accounting department:
Chen Gongyan	Wu Chengming	Fan Minfei

The Company's Statement of Financial Position
30 September 2019

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan
Currency: RMB
Type of audit: Unaudited

Items	As at 30 September 2019	As at 31 December 2018
Assets:		
Cash and bank balances	52,535,183,252.05	35,972,214,081.13
Including: Cash held on behalf of customers	47,574,048,814.09	32,024,167,668.59
Clearing settlement funds	13,776,153,330.63	12,531,001,982.11
Including: Customer settlement funds	11,393,439,226.75	10,867,401,740.31
Advances to customers	49,206,726,504.71	41,363,498,035.53
Derivative financial assets	18,405,239.44	15,962,803.76
Refundable deposits	977,658,950.83	782,703,641.65
Accounts receivable	217,663,743.01	206,871,972.14
Financial assets held under resale agreements	33,332,197,638.50	38,173,449,426.19
Financial investments:		
Financial assets held for trading	65,327,999,579.08	59,789,034,412.75
Debt investments	1,381,974,818.39	83,382,079.52
Other debt investments	20,660,815,912.52	17,299,229,632.64
Investment in other equity instruments	14,297,024,238.36	9,777,434,930.60
Long-term equity investments	8,595,827,407.02	7,095,827,407.02
Investment properties	–	–
Fixed assets	228,991,144.84	214,633,152.75
Right-of-use assets	1,147,611,835.80	N/A
Intangible assets	377,374,793.26	385,191,390.26
Goodwill	223,277,619.51	223,277,619.51
Deferred tax assets	–	377,408,722.88
Other assets	2,106,203,626.69	1,703,717,709.68
Total assets	264,411,089,634.64	225,994,839,000.12

Items	As at 30 September 2019	As at 31 December 2018
Liabilities:		
Short-term financing instrument payables	9,806,139,934.34	6,760,451,698.62
Due to banks	2,902,556,537.09	2,001,885,771.10
Financial liabilities held for trading	2,008,574,857.82	1,457,756,966.40
Derivative financial liabilities	460,371,993.78	128,161,430.00
Financial assets sold under repurchase agreements	44,186,991,389.42	26,155,091,883.51
Accounts payable to brokerage clients	59,076,799,430.29	42,992,260,003.12
Accrued staff costs	2,688,614,896.20	2,128,016,529.20
Tax payable	300,332,867.27	138,585,497.64
Accounts payable	39,714,822.01	1,505,788.89
Bonds payable	73,610,803,387.78	79,191,310,517.11
Lease liabilities	1,120,204,787.44	N/A
Deferred tax liabilities	229,133,364.18	–
Other liabilities	488,977,861.17	604,729,527.07
Total Liabilities	196,919,216,128.79	161,559,755,612.66
Shareholder's equity:		
Share capital	10,137,258,757.00	10,137,258,757.00
Capital reserve	24,965,390,451.43	24,965,390,451.43
Other comprehensive income	509,419,801.71	90,659,469.93
Surplus reserve	5,600,288,469.98	5,600,288,469.98
General risk reserve	8,750,309,542.48	8,750,309,542.48
Retained earnings	17,529,206,483.25	14,891,176,696.64
Total equity of the shareholders	67,491,873,505.85	64,435,083,387.46
Total liabilities and equity of the shareholders	264,411,089,634.64	225,994,839,000.12

Legal Representative: Chen Gongyan

Person-in-charge of accounting affairs: Wu Chengming

Person-in-charge of accounting department: Fan Minfei

Consolidated Statement of Profit or Loss

January to September of 2019

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan
Currency: RMB
Type of audit: Unaudited

Items		July to September 2019	July to September 2018	Nine months ended 30 September 2019	Nine months ended 30 September 2018
I.	**Operating income**	**4,675,565,498.42**	**2,021,774,776.85**	**12,043,714,920.85**	**6,328,408,172.78**
	Net interest income	911,729,705.18	882,909,924.94	2,541,725,606.10	2,637,481,742.94
	Including: Interest income	2,351,133,596.13	2,323,819,275.51	7,084,636,409.43	7,102,980,440.90
	Interest expenses	1,439,403,890.95	1,440,909,350.57	4,542,910,803.33	4,465,498,697.96
	Net fee and commission income	1,470,704,023.98	1,037,275,795.63	4,530,870,132.12	3,769,743,209.43
	Including: Net fee income from brokerage business	1,150,151,448.12	761,015,179.56	3,591,327,970.10	2,733,386,005.96
	Net fee income from investment banking business	147,104,408.69	85,029,754.74	402,290,194.80	418,458,787.68
	Net fee income from asset management business	163,005,551.36	189,750,357.70	488,937,902.60	572,195,109.09
	Investment gains (losses presented by "-")	660,326,129.13	-320,124,215.17	1,707,370,407.81	-1,139,717,118.56
	Including: Gains from investment in associates and joint ventures	14,960,423.09	-5,806,420.69	4,737,047.06	-8,134,219.25
	Gains from derecognition of financial assets measured at amortisation costs (losses presented by "-")	–	–	65,927,645.31	–
	Other gains	5,051,603.07	1,985,414.88	14,760,877.25	12,574,799.25
	Gains from changes in fair value (losses presented by "-")	590,519,886.85	432,427,051.51	1,659,587,931.84	1,021,019,606.04
	Foreign exchange gains (losses presented by "-")	19,371,296.85	-17,136,030.64	23,226,185.98	-8,316,228.65
	Other operating incomes	1,017,799,859.22	4,141,446.33	1,565,778,294.96	34,921,098.93
	Gains from disposal of assets (losses presented by "-")	62,994.14	295,389.37	395,484.79	701,063.40
II.	**Operating expenses**	**2,928,978,264.86**	**1,329,835,256.16**	**6,900,343,615.84**	**3,927,485,496.71**
	Taxes and surcharges	33,197,181.27	28,130,948.15	89,279,177.58	69,853,363.69
	General and administrative expenses	1,871,077,954.36	1,188,220,941.91	5,234,174,107.78	3,527,789,280.14
	Impairment losses on assets	-3,813,505.58	–	7,799,770.90	–
	Impairment losses on credits	24,765,945.92	102,074,262.71	46,724,802.96	316,506,930.63
	Other operating expenses	1,003,750,688.89	11,409,103.39	1,522,365,756.62	13,335,922.25

Items		July to September 2019	July to September 2018	Nine months ended 30 September 2019	Nine months ended 30 September 2018
III.	**Operating profits (losses presented by "-")**	**1,746,587,233.56**	**691,939,520.69**	**5,143,371,305.01**	**2,400,922,676.07**
	Add: Non–operating income	8,069,846.05	10,408,812.78	10,276,926.24	21,919,018.11
	Less: Non–operating expense	31,310,811.62	13,196,112.27	34,102,062.25	13,815,938.94
IV.	**Profit before income tax (total losses presented by "-")**	**1,723,346,267.99**	**689,152,221.20**	**5,119,546,169.00**	**2,409,025,755.24**
	Less: Income tax expense	449,316,874.89	120,010,046.41	1,240,468,103.69	505,389,405.00
V.	**Profit for the period (losses for the period presented by "-")**	**1,274,029,393.10**	**569,142,174.79**	**3,879,078,065.31**	**1,903,636,350.24**
	(I) Categorized by operation continuity				
	1. Profit for the period from continuing operations (losses for the period presented by "-")	1,274,029,393.10	569,142,174.79	3,879,078,065.31	1,903,636,350.24
	2. Profit for the period from discontinued operation (losses for the period presented by "-")	–	–	–	–
	(II) Categorized by ownership	1,274,029,393.10	569,142,174.79	3,879,078,065.31	1,903,636,350.24
	1. Profit for the period attributable to shareholders of the Company (losses for the period presented by "-")	1,265,234,139.19	558,691,042.76	3,860,235,940.60	1,869,737,198.88
	2. Non-controlling interests (losses presented by "-")	8,795,253.91	10,451,132.03	18,842,124.71	33,899,151.36
VI.	**Other comprehensive income (net of tax)**	**92,676,095.24**	**437,029,243.96**	**574,512,874.67**	**310,226,994.22**
	Other comprehensive income attributable to shareholders of the Company (net of tax)	91,105,287.88	437,029,243.96	563,532,945.51	310,226,994.22
	(I) Other comprehensive income that will not be reclassified into profits or losses subsequently	-47,870,427.74	197,452,889.44	335,946,074.76	-37,406,768.30
	1. Other comprehensive income under equity method that cannot be reclassified into profit and loss	–	66,315.54	-390,603.17	323,461.15
	2. Changes in fair value of other equity instruments investments	-47,870,427.74	197,386,573.90	336,336,677.93	-37,730,229.45
	(II) Other comprehensive income that will be reclassified into profits or losses subsequently	138,975,715.62	239,576,354.52	227,586,870.75	347,633,762.52
	1. Other comprehensive income under equity method that can be reclassified into profit and loss	-17,103,460.19	-2,721,036.68	-11,584,789.05	-6,466,539.06
	2. Changes in fair value of other debt investments	56,120,563.30	139,993,036.55	79,119,492.30	242,063,148.67

Items	July to September 2019	July to September 2018	Nine months ended 30 September 2019	Nine months ended 30 September 2018
3. Credit loss provisions for other debt investments	1,433,280.78	368,995.60	3,304,161.55	677,910.21
4. Cash flow hedge reserve (effective portion of gains or losses of cash flow hedges)	–	–	20,204,906.15	–
5. Exchange differences on translation of foreign currency financial statements	98,525,331.73	101,935,359.05	136,543,099.80	111,359,242.70
Net other comprehensive income attributable to non-controlling interests (net of tax)	1,570,807.36	–	10,979,929.16	–
VII. Total comprehensive income	**1,366,705,488.34**	**1,006,171,418.75**	**4,453,590,939.98**	**2,213,863,344.46**
Total comprehensive income attributable to the shareholders of the Company	1,356,339,427.07	995,720,286.72	4,423,768,886.11	2,179,964,193.10
Total comprehensive income attributable to non-controlling interests	10,366,061.27	10,451,132.03	29,822,053.87	33,899,151.36
VIII. Earnings per share:				
(I) Basic earnings per share (Yuan/share)	0.12	0.06	0.38	0.18
(II) Diluted earnings per share (Yuan/share)	N/A	N/A	N/A	N/A

Legal Representative: Chen Gongyan	Person-in-charge of accounting affairs: Wu Chengming	Person-in-charge of accounting department: Fan Minfei

The Company's Statement of Profit or Loss
January to September of 2019

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan
Currency: RMB
Type of audit: Unaudited

Items		July to September 2019	July to September 2018	Nine months ended 30 September 2019	Nine months ended 30 September 2018
I.	**Operating income**	**3,024,536,611.66**	**1,754,707,157.36**	**8,811,228,283.01**	**5,271,571,082.84**
	Net interest income	680,223,813.52	650,690,137.76	1,863,813,885.80	2,030,548,768.23
	Including: Interest income	2,112,559,010.66	2,058,822,901.64	6,234,022,873.86	6,355,111,090.27
	Interest expenses	1,432,335,197.14	1,408,132,763.88	4,370,208,988.06	4,324,562,322.04
	Net fee and commission income	1,158,392,044.42	860,271,754.71	3,792,800,980.12	3,292,799,202.40
	Including: Net fee income from brokerage business	1,020,085,003.37	772,752,607.54	3,393,015,489.21	2,850,134,455.87
	Net fee income from investment banking business	128,419,459.93	69,510,712.48	352,268,859.27	395,757,402.90
	Net fee income from asset management business	–	–	–	–
	Investment gains (losses presented by "-")	695,821,352.49	-176,898,988.88	1,611,946,474.76	-972,113,796.79
	Including: Gains from investment in associates and joint ventures	–	–	–	–
	Gains from derecognition of financial assets measured at amortisation costs (losses presented by "-")	–	–	–	–
	Other gains	4,750,600.08	1,938,433.04	8,809,510.92	11,222,058.20
	Gains from changes in fair value (losses presented by "-")	473,321,368.14	428,537,246.28	1,512,724,118.72	909,033,384.09
	Foreign exchange gains (losses presented by "-")	8,959,998.19	-13,733,345.19	10,198,035.22	-11,640,187.38
	Other operating incomes	2,734,202.64	3,606,530.27	10,269,554.64	11,020,590.69
	Gains from disposal of assets (losses presented by "-")	333,232.18	295,389.37	665,722.83	701,063.40
II.	**Operating expenses**	**1,431,797,166.67**	**1,086,746,995.53**	**4,162,348,023.68**	**3,221,826,452.59**
	Taxes and surcharges	29,531,725.78	25,081,110.76	76,450,911.77	62,954,224.10
	General and administrative expenses	1,380,209,170.05	955,271,677.28	4,048,102,996.68	2,844,167,750.33
	Impairment losses on assets	–	–	–	–
	Impairment losses on credits	22,056,270.84	106,394,207.49	37,794,115.23	314,704,478.16
	Other operating expenses	–	–	–	–

Items		July to September 2019	July to September 2018	Nine months ended 30 September 2019	Nine months ended 30 September 2018
III.	**Operating profits (losses presented by "-")**	**1,592,739,444.99**	**667,960,161.83**	**4,648,880,259.33**	**2,049,744,630.25**
	Add: Non–operating income	4,853,652.75	9,531,106.67	6,170,740.72	13,606,046.78
	Less: Non–operating expense	29,556,633.63	13,147,429.73	30,700,979.34	13,382,780.02
IV.	**Profit before income tax (losses presented by "-")**	**1,568,036,464.11**	**664,343,838.77**	**4,624,350,020.71**	**2,049,967,897.01**
	Less: Income tax expense	369,008,577.85	142,294,720.96	1,073,966,945.97	424,290,947.28
V.	**Profit for the period (losses for the period presented by "-")**	**1,199,027,886.26**	**522,049,117.81**	**3,550,383,074.74**	**1,625,676,949.73**
	(I) Profit for the period from continuing operations (losses for the period presented by "-")	1,199,027,886.26	522,049,117.81	3,550,383,074.74	1,625,676,949.73
	(II) Profit for the period from discontinued operation (losses for the period presented by "-")	–	–	–	–
VI.	**Other comprehensive income (net of tax)**	**9,683,416.34**	**337,748,606.05**	**418,760,331.78**	**205,010,829.43**
	(I) Other comprehensive income that will not be reclassified into profits or losses subsequently	-47,870,427.74	197,386,573.90	336,336,677.93	-37,730,229.45
	1. Changes in fair value of other equity instruments investments	-47,870,427.74	197,386,573.90	336,336,677.93	-37,730,229.45
	(II) Other comprehensive income that will be reclassified into profits or losses subsequently	57,553,844.08	140,362,032.15	82,423,653.85	242,741,058.88
	1. Changes in fair value of other debt investments	56,120,563.30	139,993,036.55	79,119,492.30	242,063,148.67
	2. Credit loss provisions for other debt investments	1,433,280.78	368,995.60	3,304,161.55	677,910.21
VII.	**Total comprehensive income**	**1,208,711,302.60**	**859,797,723.86**	**3,969,143,406.52**	**1,830,687,779.16**
VIII.	**Earnings per share:**				
	(I) Basic earnings per share (Yuan/share)	N/A	N/A	N/A	N/A
	(II) Diluted earnings per share (Yuan/share)	N/A	N/A	N/A	N/A

Legal Representative: Chen Gongyan	Person-in-charge of accounting affairs: Wu Chengming	Person-in-charge of accounting department: Fan Minfei

Consolidated Statement of Cash Flows
January to September of 2019

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan
Currency: RMB
Type of audit: Unaudited

Items	Nine months ended 30 September 2019	Nine months ended 30 September 2018
I. Cash flows from operating activities:		
Cash received from interests, fees and commissions	11,679,545,302.02	12,381,043,429.08
Net increase in due to banks	900,000,000.00	1,600,000,000.00
Net increase in repurchase businesses	21,329,524,683.14	7,280,120,890.91
Net decrease in advances to customers	–	12,652,862,713.89
Net cash received from brokerage clients	22,798,425,777.82	–
Cash received from other operating activities	1,689,752,947.98	253,599,506.89
Sub-total of cash inflows from operating activities	58,397,248,710.96	34,167,626,540.77
Net decrease in cash from acquisition or disposal of financial assets held for trading	8,440,330,378.68	9,180,678,085.74
Net increase in advances to customers	7,581,558,954.19	–
Net decrease in cash paid to the brokerage clients	–	5,484,662,477.72
Cash for the payment of interests, fees and commissions	1,447,410,543.70	1,381,116,820.79
Cash payments for employees	3,355,166,810.69	3,478,416,713.69
Cash paid for taxes	1,341,169,985.22	1,426,816,864.30
Cash paid for other operating activities	5,907,945,340.47	4,270,635,645.52
Sub-total of cash outflows from operating activities	28,073,582,012.95	25,222,326,607.76
Net cash flow from operating activities	30,323,666,698.01	8,945,299,933.01

Items	Nine months ended 30 September 2019	Nine months ended 30 September 2018
II. Cash flows from investing activities:		
Cash received from realized investment gains	2,137,321,947.10	1,023,584,897.97
Net increase in cash for debt investments	4,028,404,193.71	512,054,597.48
Net increase in cash from acquisition or disposal of other debt investment	–	394,920,813.45
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	8,130,137.79	6,510,244.95
Net cash for acquisition of subsidiaries	1,212,188,726.70	–
Cash received from other investing activities	11,502,569,800.00	15,017,256,163.00
Sub-total of cash inflows from investing activities	18,888,614,805.30	16,954,326,716.85
Cash paid for investments	1,314,729,283.37	808,752,287.01
Net decrease in cash from acquisition or disposal of financial assets held for trading	89,184,643.14	3,131,875,157.52
Net decrease in cash from acquisition or disposal of other debt investment	2,951,641,624.25	–
Net decrease in cash from acquisition or disposal of other equity instrument investments	4,001,368,656.33	1,040,000,000.00
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	219,526,202.44	151,047,374.31
Cash paid for other investing activities	11,843,476,387.00	16,433,962,038.64
Sub-total of cash outflow from investing activities	20,419,926,796.53	21,565,636,857.48
Net cash flow from investing activities	-1,531,311,991.23	-4,611,310,140.63

Items	Nine months ended 30 September 2019	Nine months ended 30 September 2018
III. Cash flows from financing activities:		
Cash received from borrowings	290,215,865.97	233,489,144.15
Cash received from issuance of long-term bonds and long-term financing instruments	16,422,310,000.00	22,879,460,000.00
Cash received from issuance of short-term bonds and short-term financing instruments	21,650,020,000.00	6,275,470,000.00
Net increase in cash received from third-party interests in consolidated structured entities	–	924,719,353.63
Sub-total of cash inflows from financing activities	38,362,545,865.97	30,313,138,497.78
Cash paid for debt repayment	40,970,749,999.67	35,849,460,000.00
Cash paid for dividend and profit distribution or interest payment	3,961,694,252.30	3,204,008,851.32
Including: Dividend and profit paid to minority shareholders by subsidiaries	–	–
Cash paid for consolidation of structured entities	1,446,365,024.08	2,792,640,323.56
Cash paid for other financing activities	394,553,221.72	153,979,133.94
Sub-total of cash outflows from financing activities	46,773,362,497.77	42,000,088,308.82
Net cash flows from financing activities	-8,410,816,631.80	-11,686,949,811.04
IV. Effect of changes in foreign exchange rates on cash and cash equivalents	**152,875,410.61**	**350,923,050.89**
V. Net increase in cash and cash equivalents	**20,534,413,485.59**	**-7,002,036,967.77**
Add: Balance of cash and cash equivalents at the beginning of the period	53,484,241,796.48	64,297,174,289.17
VI. Cash and cash equivalents at the end of the period	**74,018,655,282.07**	**57,295,137,321.40**

Legal Representative:	Person-in-charge of accounting affairs:	Person-in-charge of accounting department:
Chen Gongyan	Wu Chengming	Fan Minfei

The Company's Statement of Cash Flows

January to September of 2019

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan
Currency: RMB
Type of audit: Unaudited

Items	Nine months ended 30 September 2019	Nine months ended 30 September 2018
I. Cash flows from operating activities:		
Cash received from interests, fees and commissions	11,325,869,405.50	11,060,959,955.47
Net increase in due to banks	900,000,000.00	1,600,000,000.00
Net increase in repurchase businesses	22,922,925,136.90	6,479,474,899.44
Net decrease in advances to customers	–	12,876,707,267.65
Net cash received from brokerage clients	16,082,437,792.85	–
Cash received from other operating activities	166,065,704.54	63,140,888.87
Sub-total of cash inflows from operating activities	51,397,298,039.79	32,080,283,011.43
Net decrease in cash from acquisition or disposal of financial assets held for trading	12,827,926,307.65	15,176,358,758.48
Net decrease in cash paid to the brokerage clients	–	5,190,521,572.89
Net increase in advances to customers	7,810,162,842.54	–
Cash for the payment of interests, fees and commissions	1,291,391,828.01	1,281,505,978.71
Cash payments for employees	2,611,141,525.75	3,019,490,457.10
Cash paid for taxes	1,230,634,522.58	1,230,219,542.44
Cash paid for other operating activities	1,700,209,906.78	2,153,215,829.29
Sub-total of cash outflows from operating activities	27,471,466,933.31	28,051,312,138.91
Net cash flow from operating activities	23,925,831,106.48	4,028,970,872.52

Items	Nine months ended 30 September 2019	Nine months ended 30 September 2018
II. Cash flows from investing activities:		
Cash received from realized investment gains	630,893,099.45	653,893,054.91
Net increase in cash for debt investment	–	336,359,262.91
Net increase in cash from acquisition or disposal of other debt investment	–	394,920,813.45
Net increase in cash from acquisition or disposal of financial assets held for trading	10,149,352,959.51	3,062,305,237.73
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	7,486,538.46	5,939,081.33
Cash received from other investing activities	131,569,800.00	97,614,700.00
Sub-total of cash inflows from investing activities	10,919,302,397.42	4,551,032,150.33
Cash paid for investments	1,500,000,000.00	–
Net decrease in cash from debt investment	1,289,000,000.00	–
Net decrease in cash from acquisition or disposal of other debt investment	3,024,968,969.24	–
Net decrease in cash from acquisition or disposal of other equity instrument investments	4,071,140,403.82	1,040,000,000.00
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	143,376,650.77	126,748,567.20
Cash paid for other investing activities	145,352,200.00	127,889,300.00
Sub-total of cash outflow from investing activities	10,173,838,223.83	1,294,637,867.20
Net cash flow from investing activities	745,464,173.59	3,256,394,283.13

Items	Nine months ended 30 September 2019	Nine months ended 30 September 2018
III. Cash flows from financing activities:		
Cash received from issuance of long-term bonds and long-term financing instruments	16,422,310,000.00	22,879,460,000.00
Cash received from issuance of short-term bonds and short-term financing instruments	21,650,020,000.00	6,275,470,000.00
Sub-total of cash inflows from financing activities	38,072,330,000.00	29,154,930,000.00
Cash paid for debt repayment	40,670,850,000.00	35,849,460,000.00
Cash paid for dividend and profit distribution or interest payment	4,050,003,797.75	4,073,906,898.14
Cash paid for other financing activities	287,293,352.30	88,679,245.28
Sub-total of cash outflows from financing activities	45,008,147,150.05	40,012,046,143.42
Net cash flows from financing activities	-6,935,817,150.05	-10,857,116,143.42
IV. Effect of changes in foreign exchange rates on cash and cash equivalents	**46,647,410.77**	**87,154,676.64**
V. Net increase in cash and cash equivalents	**17,782,125,540.79**	**-3,484,596,311.13**
Add: Balance of cash and cash equivalents at the beginning of the period	48,343,808,167.15	54,830,009,616.16
VI. Cash and cash equivalents at the end of the period	**66,125,933,707.94**	**51,345,413,305.03**

Legal Representative:	Person-in-charge of accounting affairs:	Person-in-charge of accounting department:
Chen Gongyan	Wu Chengming	Fan Minfei

4.2 Information related to the adjustment on the financial statements of the beginning of the year in respect of the first implementation of New Financial Instruments Standards, New Revenue Standards and New Lease Standards.

✓Applicable ☐ Not Applicable

Consolidated balance sheet

Unit: Yuan
Currency: RMB

Items	31 December 2018	1 January 2019	Adjust amount
Assets:			
Cash and bank balances	51,413,630,839.26	51,413,630,839.26	–
Including: Cash held on behalf of customers	42,528,973,315.11	42,528,973,315.11	–
Clearing settlement funds	12,686,542,694.97	12,686,542,694.97	–
Including: Customer settlement funds	11,623,904,758.46	11,623,904,758.46	–
Advances to customers	44,631,942,885.04	44,631,942,885.04	–
Derivative financial assets	76,290,608.09	76,290,608.09	–
Refundable deposits	5,275,827,016.16	5,275,827,016.16	–
Accounts receivable	643,111,618.52	643,111,618.52	–
Financial assets held under resale agreements	39,967,073,540.41	39,967,073,540.41	–
Financial investments:			
Financial assets held for trading	60,338,281,556.50	60,338,281,556.50	–
Debt investments	5,061,777,671.50	5,061,777,671.50	–
Other debt investments	17,299,229,632.64	17,299,229,632.64	–
Investment in other equity instruments	9,777,434,930.60	9,777,434,930.60	–
Long-term equity investments	876,823,011.05	876,823,011.05	–
Investment properties	8,230,837.50	8,230,837.50	–
Fixed assets	241,529,767.81	241,529,767.81	–
Right-of-use assets	–	1,487,213,746.89	1,487,213,746.89
Intangible assets	391,666,871.74	391,666,871.74	–
Goodwill	223,277,619.51	223,277,619.51	–
Deferred tax assets	477,454,435.73	477,454,435.73	–
Other assets	1,973,164,580.11	1,924,788,230.27	-48,376,349.84
Total assets	**251,363,290,117.14**	**252,802,127,514.19**	**1,438,837,397.05**

Items	31 December 2018	1 January 2019	Adjust amount
Liabilities:			
Short-term borrowings	3,010,778,176.97	3,010,778,176.97	–
Short-term financing instrument payables	6,760,451,698.62	6,760,451,698.62	–
Due to banks	2,001,885,771.10	2,001,885,771.10	–
Financial liabilities held for trading	1,458,698,493.71	1,458,698,493.71	–
Derivative financial liabilities	213,412,804.87	213,412,804.87	–
Financial assets sold under repurchase agreements	28,059,940,329.82	28,059,940,329.82	–
Accounts payable to brokerage clients	56,695,274,280.97	56,695,274,280.97	–
Accrued staff costs	2,591,518,580.56	2,591,518,580.56	–
Tax payable	164,953,547.00	164,953,547.00	–
Accounts payable	1,073,023,009.24	1,073,023,009.24	–
Bonds payable	79,501,423,016.78	79,501,423,016.78	–
Lease liabilities	–	1,438,837,397.05	1,438,837,397.05
Deferred income tax liabilities	10,096,290.42	10,096,290.42	–
Other liabilities	3,483,973,192.65	3,483,973,192.65	–
Total liabilities	**185,025,429,192.71**	**186,464,266,589.76**	**1,438,837,397.05**
Shareholder's equity:			
Share capital	10,137,258,757.00	10,137,258,757.00	–
Capital reserve	25,022,895,958.83	25,022,895,958.83	–
Other comprehensive income	205,075,838.18	205,075,838.18	–
Surplus reserve	5,600,288,469.98	5,600,288,469.98	–
General risk reserve	8,936,345,567.07	8,936,345,567.07	–
Retained earnings	16,080,222,840.21	16,080,222,840.21	–
Total equity attributable to the shareholders of the Company	**65,982,087,431.27**	**65,982,087,431.27**	**–**
Non-controlling interests	355,773,493.16	355,773,493.16	–
Total equity of the shareholders	**66,337,860,924.43**	**66,337,860,924.43**	**–**
Total liabilities and equity of the shareholders	**251,363,290,117.14**	**252,802,127,514.19**	**1,438,837,397.05**

Explanation for the adjustment of each item:

✓Applicable ☐ Not Applicable

The Company implemented the New Lease Standards from 1 January 2019 and recognized right-of-use assets and lease liabilities in accordance with the New Lease Standards.

The Company has implemented the New Financial Instruments Standards and New Revenue Standards of the Ministry of Finance since 1 January 2018 and the figures at the beginning of 2018 have been adjusted according to the requirements of the New Financial Instruments Standard during the year 2018.

The Company's Statement of Financial Position

Unit: Yuan
Currency: RMB

Items	31 December 2018	1 January 2019	Adjust amount
Assets:			
Cash and bank balances	35,972,214,081.13	35,972,214,081.13	–
Including: Cash held on behalf of customers	32,024,167,668.59	32,024,167,668.59	–
Clearing settlement funds	12,531,001,982.11	12,531,001,982.11	–
Including: Customer settlement funds	10,867,401,740.31	10,867,401,740.31	–
Advances to customers	41,363,498,035.53	41,363,498,035.53	–
Derivative financial assets	15,962,803.76	15,962,803.76	–
Refundable deposits	782,703,641.65	782,703,641.65	–
Accounts receivable	206,871,972.14	206,871,972.14	–
Financial assets held under resale agreements	38,173,449,426.19	38,173,449,426.19	–
Financial investments:			
Financial assets held for trading	59,789,034,412.75	59,789,034,412.75	–
Debt investments	83,382,079.52	83,382,079.52	–
Other debt investments	17,299,229,632.64	17,299,229,632.64	–
Investment in other equity instruments	9,777,434,930.60	9,777,434,930.60	–
Long-term equity investments	7,095,827,407.02	7,095,827,407.02	–
Fixed assets	214,633,152.75	214,633,152.75	–
Right-of-use assets	–	1,292,960,903.63	1,292,960,903.63
Intangible assets	385,191,390.26	385,191,390.26	–
Goodwill	223,277,619.51	223,277,619.51	–
Deferred tax assets	377,408,722.88	377,408,722.88	–

Items	31 December 2018	1 January 2019	Adjust amount
Other assets	1,703,717,709.68	1,656,606,111.61	-47,111,598.07
Total assets	**225,994,839,000.12**	**227,240,688,305.68**	**1,245,849,305.56**
Liabilities:			
Short-term financing instrument payables	6,760,451,698.62	6,760,451,698.62	–
Due to banks	2,001,885,771.10	2,001,885,771.10	–
Financial liabilities held for trading	1,457,756,966.40	1,457,756,966.40	–
Derivative financial liabilities	128,161,430.00	128,161,430.00	–
Financial assets sold under repurchase agreements	26,155,091,883.51	26,155,091,883.51	–
Accounts payable to brokerage clients	42,992,260,003.12	42,992,260,003.12	–
Accrued staff costs	2,128,016,529.20	2,128,016,529.20	–
Tax payable	138,585,497.64	138,585,497.64	–
Accounts payable	1,505,788.89	1,505,788.89	–
Bonds payable	79,191,310,517.11	79,191,310,517.11	–
Lease liabilities	–	1,245,849,305.56	1,245,849,305.56
Other liabilities	604,729,527.07	604,729,527.07	–
Total liabilities	**161,559,755,612.66**	**162,805,604,918.22**	**1,245,849,305.56**
Shareholder's equity:			
Share capital	10,137,258,757.00	10,137,258,757.00	–
Capital reserve	24,965,390,451.43	24,965,390,451.43	–
Other comprehensive income	90,659,469.93	90,659,469.93	–
Surplus reserve	5,600,288,469.98	5,600,288,469.98	–
General risk reserve	8,750,309,542.48	8,750,309,542.48	–
Retained earnings	14,891,176,696.64	14,891,176,696.64	–
Total equity of the shareholders	**64,435,083,387.46**	**64,435,083,387.46**	**–**
Total liabilities and equity of the shareholders	**225,994,839,000.12**	**227,240,688,305.68**	**1,245,849,305.56**

Explanation for the adjustment of each item:

✓Applicable ☐ Not Applicable

The Company implemented the New Lease Standards from 1 January 2019 and recognized right-of-use assets and lease liabilities in accordance with the New Lease Standards.

The Company has implemented the New Financial Instruments Standards and New Revenue Standards of the Ministry of Finance since 1 January 2018 and the figures at the beginning of 2018 have been adjusted according to the requirements of the New Financial Instruments Standard during the year 2018.

4.3 Explanation for the retrospective adjustment to previous comparable data in respect of first implementation of the New Financial Instruments Standards or New Lease Standards.

☐ Applicable ✓Not Applicable

4.4 Audit reports

☐ Applicable ✓Not Applicable

By Order of the Board
China Galaxy Securities Co., Ltd.
Chen Gongyan
Chairman and Executive Director

Beijing, the PRC
28 October 2019

As at the date of this announcement, the executive director of the Company is Mr. CHEN Gongyan (Chairman); the non-executive directors are Mr. LIU Dingping, Ms. XIAO Lihong, Mr. ZHANG Tianli and Ms. WANG Zelan; and the independent non-executive directors are Mr. LIU Ruizhong, Mr. WANG Zhenjun and Ms. LIU Chun.