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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)

2020 FIRST QUARTERLY REPORT

This announcement is made by China Galaxy Securities Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") 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**"), the supervisory committee (the "**Supervisory Committee**"), and the directors (the "**Directors**"), supervisors and senior management officers of the Company warrant 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 assume legal liability for the contents of the report.

1.2 All Directors 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), warrant that the financial statements contained in this quarterly report are true, accurate and complete.

1.4 The 2020 first quarterly report of the Company is unaudited.

II. BASIC INFORMATION OF THE COMPANY

2.1 Financial Highlights

Unit: Yuan
Currency: RMB

	As at 31 March 2020	As at 31 December 2020	Change as compared to the end of last year (%)
Total assets	367,357,060,871.51	315,665,877,433.83	16.38
Net assets attributable to shareholders of the company	72,772,201,819.76	70,895,594,078.45	2.65

	Three months ended 31 March 2020	Three months ended 31 March 2019	Change as compared to the same period of last year (%)
Net cash flow from operating activities	21,111,502,558.03	22,919,607,764.16	-7.89

	Three months ended 31 March 2020	Three months ended 31 March 2019	Change as compared to the same period of last year (%)
Operating income	5,587,610,547.01	3,700,779,342.12	50.98
Net profit attributable to shareholders of the company	1,753,641,667.60	1,532,712,615.87	14.41
Net profit attributable to shareholders of the company excluding extraordinary items	1,757,847,943.96	1,529,248,045.22	14.95
Return on weighted average net assets (%)	2.44	2.29	Increased by 0.15 percentage point
Basic earnings per share (Yuan/share)	0.17	0.15	13.33
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	Three months ended 31 March 2020	Note
Profit/loss on disposal of non-current assets	150,001.10	Mainly 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 accounted for in certain standard amount or volume in compliance with the requirements of the policies of the State)	81,789.02	Mainly due to non-operating government subsidies
Other non-operating income and expenses save for the above	-5,572,032.20	–
Effect on non-controlling interests (net of tax)	998,004.82	–
Effect on income tax	135,960.90	–
Total	-4,206,276.36	

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

Unit: Share

Total number of shareholders *(note 1)*						108,816 shareholders in total
Shareholdings of the Top Ten Shareholders						
Name of shareholder (Full name)	**Number of shares held as at the end of the period**	**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 ("**Galaxy Financial Holdings**")	5,186,538,364	51.16	0	Nil	0	State-owned legal person
HKSCC Nominees Limited *(Note 2)*	3,688,028,096	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
Bank of Lanzhou Co., Ltd.	43,070,130	0.42	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
Shanghai Rural Commercial Bank Co., Ltd.	20,000,000	0.20	0	Nil	0	Domestic non state-owned legal person
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	19,594,983	0.19	0	Nil	0	Others
Zhongshan Zhonghui Investment Group Company Limited	19,241,213	0.19	0	Nil	0	State-owned legal person
China Resources Co., Ltd.	16,979,809	0.17	0	Nil	0	State-owned legal person
The National Social Security Fund 412 Composition	16,966,766	0.17	0	Nil	0	Others

Shareholdings 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
Galaxy Financial Holdings	5,186,538,364	RMB ordinary shares	5,186,538,364
HKSCC Nominees Limited	3,688,028,096	Overseas listed foreign shares	3,688,028,096
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
Joincare Pharmaceutical Industry Group Co., Ltd.	25,983,000	RMB ordinary shares	25,983,000
Shanghai Rural Commercial Bank Co., Ltd.	20,000,000	RMB ordinary shares	20,000,000
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	19,594,983	RMB ordinary shares	19,594,983
Zhongshan Zhonghui Investment Group Company Limited	19,241,213	RMB ordinary shares	19,241,213
China Resources Co., Ltd.	16,979,809	RMB ordinary shares	16,979,809
The National Social Security Fund 412 Composition	16,966,766	RMB ordinary shares	16,966,766

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 holds H shares of the Company on behalf of overseas investors of the Company.
Description on shareholders of preference shares whose voting rights had resumed and their shareholdings	Nil

Note 1: As at the end of the reporting period, there are 108,816 shareholders of the Company, among which 108,073 are holders of A shares and 743 are registered 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 Galaxy Financial Holdings.

2.3 As at the end of the reporting period, total number of shareholders of preference shares, shareholdings 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 31 March 2020	As at 31 December 2019	Increase/ Decrease (%)	Main reasons
Cash and bank balances	90,246,784,466.11	70,329,276,149.83	28.32	The enlarged scale of customers' fund
Accounts receivable	8,560,585,666.28	5,116,838,493.30	67.30	The enlarged scale of settlement funds receivable of overseas subsidiaries
Financial assets held for trading	88,996,994,780.33	74,039,119,174.28	20.20	The enlarged scale of bond investment
Other debt investments	32,607,861,408.55	23,017,490,419.13	41.67	The enlarged scale of bond investment
Other assets	4,534,003,548.49	3,425,521,981.78	32.36	Increase in receivables from customers of over-the-count derivatives
Financial assets sold under repurchase agreements	73,103,256,263.30	54,855,653,810.50	33.26	Mainly due to an increase in the scale of dealer-quoted bond repurchase business
Accounts payable to brokerage clients	90,489,229,153.76	80,508,860,269.58	12.40	The enlarged scale of customers' fund
Tax payable	202,512,996.74	363,083,801.38	-44.22	Decrease in withholding of tax deposit on customer's restricted shares
Accounts payable	10,806,579,688.90	2,766,214,205.46	290.66	The increase in settlement funds payable by overseas subsidiaries
Bonds payable	72,031,520,132.44	64,023,358,183.26	12.51	Increase in issuance scale of corporate bonds and long-term subordinated bonds

Items	As at 31 March 2020	As at 31 December 2019	Increase/ Decrease (%)	Main reasons
Deferred income tax liabilities	492,096,245.30	261,392,439.43	88.26	Deferred income tax liabilities increased due to the increase in fair value
Other liabilities	3,673,745,792.48	2,474,045,715.04	48.49	Increase in over-the-counter customer performance bond

Items	Three months ended 31 March 2020	Three months ended 31 March 2019	Increase/ Decrease (%)	Main reasons
Net fee and commission income	1,987,831,223.37	1,429,030,601.77	39.10	Increase in income from handling fee of brokerage business
Net interest income	963,229,612.90	741,726,046.61	29.86	Increase in interest income from debt investments and other debt investments
Investment gains	1,443,835,003.62	107,312,215.77	1,245.45	Increase in proprietary trading investment income
Gains or losses from changes in fair value	205,902,208.29	1,313,588,105.81	-84.33	Comparatively large amount of reversal from disposal of equity investments in the corresponding period of last year
Foreign exchange gains	12,671,290.30	-3,725,787.06	440.10	Effect from change in exchange rate
Other operating incomes	967,015,957.17	107,659,200.89	798.22	Increased in income from warehouse receipts of subsidiaries
Other gains	6,989,227.52	5,081,274.76	37.55	Increase in refund of individual tax handling fee
Taxes and surcharges	33,412,204.02	23,125,078.60	44.48	Increase in the value-added tax surcharge

Items	Three months ended 31 March 2020	Three months ended 31 March 2019	Increase/ Decrease (%)	Main reasons
General and administrative expenses	2,119,877,465.53	1,631,341,003.11	29.95	Increase in employee compensation, and significant changes resulting from the addition of overseas subsidiaries in April 2019
Impairment losses on credits	24,415,956.11	-53,611,748.39	145.54	More impairment losses reversed during the first quarter of 2019
Impairment losses of other assets	120,273,977.51	–	100.00	Increase in impairment losses on warehouse receipts of subsidiaries
Other operating expenses	1,000,611,086.84	98,810,805.09	912.65	Increased in costs from warehouse receipts of subsidiaries
Non-operating income	777,090.55	485,472.50	60.07	New customer penalty
Non-operating expense	6,267,333.73	415,852.88	1,407.10	The addition of overseas subsidiaries in April 2019 resulted in more changes
Net cash flow from investing activities	-4,603,493,877.16	304,581,168.76	-1,611.42	Increase in cash outflows due to the purchase of other debt investments and other equity instruments during this year
Net cash flow from financing activities	11,502,627,406.74	5,483,136,702.77	109.78	Increase in cash inflows due to short-term corporate bonds and short-term income rights certificates issued during this year

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

✓Applicable ☐Not Applicable

(1) Changes in qualifications for individual businesses of the Company

On 28 February 2020, according to the "Reply on Matters Regarding Conducting Pilot Fund Investment Advisory Business by China Galaxy Securities Co., Ltd." (Ji Gou Bu Han [2020] No. 389)(《關於中國銀河證券股份有限公司試點開展基金投資顧問業務有關事項的覆函》)(機構部函[2020]389號), the China Securities Regulatory Commission approved the Company to conduct pilot fund investment advisory business.

(2) Capital increase of a subsidiary

On 12 February 2020, China Galaxy International Financial Holdings Company Limited ("**Galaxy International**") and CIMB Group Sdn. Bhd. ("**CIMB Group**") each contributed SGD15 million (totaling SGD30 million) to CGS-CIMB Securities International Pte. Ltd. in the same proportion. CGS-CIMB Securities International Pte. Ltd. issued and allotted 15 million new ordinary shares to each of Galaxy International and CIMB Group in the same proportion at a subscription price of SGD1.00 per share. After the capital increase, the capital of CGS-CIMB Securities International Pte. Ltd. reached SGD908 million and the shareholding percentage of the two shareholders remained unchanged.

(3) Nomination of director and change of supervisor

(1) On 25 March 2020, Mr. Fan Minfei was elected as an employee supervisor of the third session of the Supervisory Committee of the Company at the fifth meeting of the second session of the employee representative meeting, effective from 25 March 2020. Ms. Liu Zhiyi ceased to be an employee supervisor of the third session of the Supervisory Committee, and ceased to hold any position in the Company, due to reaching the statutory retirement age.

(2) On 27 March 2020, the Resolution in Relation to the Nomination of Mr. Law Cheuk Kin Stephen as a Candidate for Independent Director of the Company was considered and approved at the 57th Meeting (Regular) of the third session of the Board of the Company, approving the nomination of Mr. Law Cheuk Kin Stephen as a candidate for an independent director of the Company, and the same was submitted to the shareholders' general meeting for consideration and approval.

(4) Matters relating to circulation of restricted shares under the initial public offering

On 23 January 2020, the lock-up period of 5,217,743,240 A shares held by Galaxy Financial Holdings and Account No.1 of National Council for Social Security Fund expired, details of which are set forth as follows. Since then, all A shares of the Company have become circulating shares not subject to selling restrictions.

No.	Name of shareholder	Original number of shares subject to selling restrictions (shares)	Number of shares circulation this time (shares)
1	Galaxy Financial Holdings	5,160,610,864	5,160,610,864
2	Account No.1 of National Council for Social Security Fund	57,132,376	57,132,376
Total		5,217,743,240	5,217,743,240

In addition, on the basis of confidence in the Company's continued stable development in the future and recognition of the Company's long-term investment value, in order to promote the Company's continued, stable and healthy development and protect the Company's shareholders' interests, Galaxy Financial Holdings undertook not to reduce its shareholding in such shares within 6 months from the expiry date of the lock-up period of such shares.

(5) Change in accounting policies and accounting estimates of the Company

On 27 March 2020, the Resolution in Relation to the Amendments to the Major Accounting Policies and Accounting Estimates of China Galaxy Securities Co., Ltd. was considered and approved at the 57th meeting of the third session of the Board of the Company, approving the Company to change its accounting policies and accounting estimates. Based on the actual operating condition of the Company, the recognition standards for the Company's fixed assets and intangible assets have been increased from a unit price of RMB2,000 to RMB5,000, which shall be applicable as from 27 March 2020. According to relevant accounting standards, change in the recognition criteria for fixed assets and intangible assets is the change in accounting estimates, and subsequent processing will be performed using the prospective application method. After evaluation, such changes has no impact on the Company's 2019 financial statements, and will not have a significant impact on the financial position, operation results and cash flow in 2020.

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:	27 April 2020

IV. APPENDIX

4.1 Financial Statements

Consolidated Statement of Financial Position
31 March 2020

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan
Currency: RMB
Type of audit: Unaudited

Items	As at 31 March 2020	As at 31 December 2019
Assets:		
Cash and bank balances	90,246,784,466.11	70,329,276,149.83
Including: Cash held on behalf of customers	73,579,491,614.48	60,281,957,293.02
Clearing settlement funds	13,463,987,698.77	11,276,474,884.56
Including: Customer settlement funds	11,696,050,577.29	9,485,071,510.87
Advances to customers	58,260,216,519.90	58,721,318,360.66
Derivative financial assets	194,744,690.30	208,502,701.01
Refundable deposits	11,828,873,605.17	10,735,256,392.21
Accounts receivable	8,560,585,666.28	5,116,838,493.30
Financial assets held under resale agreements	28,649,861,889.43	30,438,084,072.04
Financial investments:		
Financial assets held for trading	88,996,994,780.33	74,039,119,174.28
Debt investments	4,312,806,387.17	5,031,295,864.93
Other debt investments	32,607,861,408.55	23,017,490,419.13
Investment in other equity instruments	21,722,426,163.23	19,349,248,070.01
Long-term equity investments	1,363,608,282.27	1,320,135,982.87
Investment properties	7,985,025.00	8,034,187.50
Fixed assets	266,102,992.33	276,718,303.25
Right of use assets	1,311,085,476.64	1,339,653,532.16
Intangible assets	481,600,386.18	493,538,105.23
Goodwill	443,860,038.80	439,538,680.25
Deferred tax assets	103,671,846.56	99,832,078.83
Other assets	4,534,003,548.49	3,425,521,981.78
Total assets	**367,357,060,871.51**	**315,665,877,433.83**

Items	As at 31 March 2020	As at 31 December 2019
Liabilities:		
Short-term borrowings	5,821,096,181.80	5,775,420,038.07
Short-term financing instrument payables	21,947,868,915.91	17,659,517,315.52
Due to banks	8,209,116,033.83	8,177,307,038.33
Financial liabilities held for trading	1,439,080,339.78	1,718,081,624.77
Derivative financial liabilities	608,781,586.29	469,791,795.92
Financial assets sold under repurchase agreements	73,103,256,263.30	54,855,653,810.50
Accounts payable to brokerage clients	90,489,229,153.76	80,508,860,269.58
Accrued staff costs	3,349,871,062.05	3,354,729,064.45
Tax payable	202,512,996.74	363,083,801.38
Accounts payable	10,806,579,688.90	2,766,214,205.46
Bonds payable	72,031,520,132.44	64,023,358,183.26
Lease liabilities	1,357,315,548.16	1,336,724,225.09
Deferred tax liabilities	492,096,245.30	261,392,439.43
Other liabilities	3,673,745,792.48	2,474,045,715.04
Total Liabilities	**293,532,069,940.74**	**243,744,179,526.80**
Shareholder's equity:		
Share capital	10,137,258,757.00	10,137,258,757.00
Capital reserve	25,022,661,275.03	25,022,895,958.83
Other comprehensive income	925,554,160.93	802,506,721.40
Surplus reserve	6,083,975,483.31	6,083,975,483.31
General risk reserve	9,933,157,407.28	9,933,043,865.37
Retained earnings	20,669,594,736.21	18,915,913,292.54
Total equity attributable to the shareholders of the Company	**72,772,201,819.76**	**70,895,594,078.45**
Non-controlling interests	1,052,789,111.01	1,026,103,828.58
Total equity of the shareholders	**73,824,990,930.77**	**71,921,697,907.03**
Total liabilities and equity of the shareholders	**367,357,060,871.51**	**315,665,877,433.83**

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 Financial Position
31 March 2020

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan
Currency: RMB
Type of audit: Unaudited

Items	**As at 31 March 2020**	**As at 31 December 2019**
Assets:		
Cash and bank balances	69,649,142,766.68	54,569,153,153.38
Including: Cash held on behalf of customers	57,481,121,534.30	49,265,274,863.27
Clearing settlement funds	13,653,727,537.01	9,988,220,413.94
Including: Customer settlement funds	10,832,036,684.03	8,236,078,742.64
Advances to customers	54,814,978,084.62	54,028,306,139.65
Derivative financial assets	79,952,673.24	19,650,111.41
Refundable deposits	1,427,620,147.08	1,198,127,105.41
Accounts receivable	269,507,528.89	213,984,491.98
Financial assets held under resale agreements	27,409,629,651.85	28,890,035,982.20
Financial investments:		
Financial assets held for trading	82,787,325,505.25	68,973,038,818.51
Debt investments	4,620,606,665.09	4,651,423,601.74
Other debt investments	32,607,861,408.55	23,017,490,419.13
Investment in other equity instruments	21,722,281,285.30	19,349,091,882.90
Long-term equity investments	8,599,127,407.02	8,595,827,407.02
Fixed assets	221,464,351.89	234,356,898.66
Right of use assets	1,073,544,161.54	1,123,744,495.23
Intangible assets	380,433,415.75	385,994,630.53
Goodwill	223,277,619.51	223,277,619.51
Other assets	2,229,353,605.88	1,990,710,078.13
Total assets	**321,769,833,815.15**	**277,452,433,249.33**

Items	As at 31 March 2020	As at 31 December 2019
Liabilities:		
Short-term financing instrument payables	21,947,868,915.91	17,066,135,994.57
Due to banks	8,209,116,033.83	8,177,307,038.33
Financial liabilities held for trading	1,438,181,258.98	1,718,081,624.77
Derivative financial liabilities	165,353,253.23	146,615,942.67
Financial assets sold under repurchase agreements	73,036,757,163.53	54,843,554,061.76
Accounts payable to brokerage clients	68,421,372,724.80	57,596,602,174.41
Accrued staff costs	2,895,265,206.01	2,771,260,844.81
Tax payable	179,658,172.27	281,441,252.21
Accounts payable	96,894,042.68	114,742,315.44
Bonds payable	72,031,520,132.44	64,023,358,183.26
Lease liabilities	1,110,601,068.99	1,115,415,997.31
Deferred tax liabilities	448,111,370.30	228,461,602.69
Other liabilities	1,285,350,826.89	556,462,490.55
Total Liabilities	**251,266,050,169.86**	**208,639,439,522.78**
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	638,374,610.38	544,052,963.94
Surplus reserve	6,083,975,483.31	6,083,975,483.31
General risk reserve	9,717,683,569.14	9,717,683,569.14
Retained earnings	18,961,100,774.03	17,364,632,501.73
Total equity of the shareholders	**70,503,783,645.29**	**68,812,993,726.55**
Total liabilities and equity of the shareholders	**321,769,833,815.15**	**277,452,433,249.33**

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 March of 2020

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan
Currency: RMB
Type of audit: Unaudited

Items	Three months ended 31 March 2020	Three months ended 31 March 2019
I. Operating income	5,587,610,547.01	3,700,779,342.12
Net interest income	963,229,612.90	741,726,046.61
Including: Interest income	2,495,121,684.36	2,187,931,750.01
Interest expenses	1,531,892,071.46	1,446,205,703.40
Net fee and commission income	1,987,831,223.37	1,429,030,601.77
Including: Net fee income from brokerage business	1,681,870,899.68	1,144,755,217.45
Net fee income from investment banking business	131,195,005.26	102,753,226.15
Net fee income from asset management business	153,561,394.66	162,842,875.44
Investment gains (losses presented by "-")	1,443,835,003.62	107,312,215.77
Including: Gains from investment in associates and joint ventures	15,038,478.38	-8,963,231.53
Gains from derecognition of financial assets measured at amortisation costs (losses presented by "-")	-920,631.60	–
Other gains	6,989,227.52	5,081,274.76
Gains from changes in fair value (losses presented by "-")	205,902,208.29	1,313,588,105.81
Foreign exchange gains (losses presented by "-")	12,671,290.30	-3,725,787.06
Other operating incomes	967,015,957.17	107,659,200.89
Gains from disposal of assets (losses presented by "-")	136,023.84	107,683.57

Items	Three months ended 31 March 2020	Three months ended 31 March 2019
II. Operating expenses	3,298,590,690.01	1,699,665,138.41
Taxes and surcharges	33,412,204.02	23,125,078.60
General and administrative expenses	2,119,877,465.53	1,631,341,003.11
Impairment losses on credits	24,415,956.11	-53,611,748.39
Impairment losses on other assets	120,273,977.51	–
Other operating expenses	1,000,611,086.84	98,810,805.09
III. Operating profits (losses presented by "-")	2,289,019,857.00	2,001,114,203.71
Add: Non–operating income	777,090.55	485,472.50
Less: Non–operating expense	6,267,333.73	415,852.88
IV. Profit before income tax (losses presented by "-")	2,283,529,613.82	2,001,183,823.33
Less: Income tax expense	503,162,887.72	458,705,214.62
V. Profit for the period (losses presented by "-")	1,780,366,726.10	1,542,478,608.71
(I) Categorized by operation continuity		
1. Profit for the period from continuing operations (losses presented by "-")	1,780,366,726.10	1,542,478,608.71
2. Profit for the period from discontinued operation (losses presented by "-")	–	–
(II) Categorized by ownership		
1. Profit for the period attributable to shareholders of the Company (losses presented by "-")	1,753,641,667.60	1,532,712,615.87
2. Non–controlling interests (losses presented by "-")	26,725,058.50	9,765,992.84

Items	Three months ended 31 March 2020	Three months ended 31 March 2019
VI. Other comprehensive income (net of tax)	123,007,663.46	451,249,929.29
Other comprehensive income attributable to shareholders of the Company (net of tax)	123,047,439.53	451,249,929.29
(I) Other comprehensive income that will not be reclassified into profits or losses subsequently	-83,308,091.32	446,352,736.65
1. Changes in fair value of other equity instruments investment	-83,308,091.32	446,352,736.65
(II) Other comprehensive income that will be reclassified into profits or losses subsequently	206,355,530.85	4,897,192.64
1. Changes in fair value of other debt investments	176,360,952.11	39,561,287.97
2. Credit impairment provisions for other debt investment	1,268,785.65	1,654,914.69
3. Cash flow hedge reserve	-42,161,228.61	-14,445,419.57
4. Exchange differences on translation of foreign currency financial statements	70,887,021.70	-21,873,590.45
Net other comprehensive income attributable to non-controlling interests (net of tax)	-39,776.07	–
VII. Total comprehensive income	1,903,374,389.56	1,993,728,538.00
Total comprehensive income attributable to the shareholders of the Company	1,876,689,107.13	1,983,962,545.16
Total comprehensive income attributable to non-controlling interests	26,685,282.43	9,765,992.84
VIII. Earnings per share:		
(I) Basic earnings per share (Yuan/share)	0.17	0.15
(II) Diluted earnings per share (Yuan/share)	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 March of 2020

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan
Currency: RMB
Type of audit: Unaudited

Items	Three months ended 31 March 2020	Three months ended 31 March 2019
I. Operating income	3,701,363,914.45	3,174,802,261.89
Net interest income	766,347,573.36	542,548,339.38
Including: Interest income	2,208,395,359.41	1,967,779,574.82
Interest expenses	1,442,047,786.05	1,425,231,235.44
Net fee and commission income	1,654,048,988.58	1,285,820,048.56
Including: Net fee income from brokerage business	1,539,191,330.16	1,175,282,752.12
Net fee income from investment banking business	97,903,304.23	90,092,844.81
Net fee income from asset management business	–	–
Investment gains (losses presented by "-")	1,059,505,649.00	90,216,670.49
Including: Gains from investment in associates and joint ventures	–	–
Other gains	3,782,495.09	311,274.76
Gains from changes in fair value (losses presented by "-")	208,993,717.08	1,260,222,967.35
Foreign exchange gains (losses presented by "-")	7,240,130.00	-7,729,608.47
Other operating incomes	1,264,095.52	3,356,424.79
Gains from disposal of assets (losses presented by "-")	181,265.82	56,145.03
II. Operating expenses	1,661,027,912.96	1,377,210,412.43
Taxes and surcharges	28,571,054.08	21,500,476.79
General and administrative expenses	1,611,955,658.91	1,413,374,175.80
Impairment losses on credits	20,501,199.97	-57,664,240.16
III. Operating profits (losses presented by "-")	2,040,336,001.49	1,797,591,849.46
Add: Non–operating income	368,812.87	484,062.57
Less: Non–operating expense	543,103.43	304,619.49

Items	Three months ended 31 March 2020	Three months ended 31 March 2019
IV. Profit before income tax (losses presented by "–")	2,040,161,710.93	1,797,771,292.54
Less: Income tax expense	443,693,438.63	412,292,599.98
V. Profit for the period (losses presented by "–")	1,596,468,272.30	1,385,478,692.56
(I) Profit for the period from continuing operations (losses presented by "–")	1,596,468,272.30	1,385,478,692.56
(II) Profit for the period from discontinued operation (losses presented by "–")	–	–
VI. Other comprehensive income (net of tax)	94,321,646.44	487,568,939.31
(I) Other comprehensive income that will not be reclassified into profits or losses subsequently	-83,308,091.32	446,352,736.65
1. Changes in fair value of other equity instruments investment	-83,308,091.32	446,352,736.65
(II) Other comprehensive income that will be reclassified into profits or losses subsequently	177,629,737.76	41,216,202.66
1. Changes in fair value of other debt investments	176,360,952.11	39,561,287.97
2. Credit loss provisions for other debt investment	1,268,785.65	1,654,914.69
VII. Total comprehensive income	1,690,789,918.74	1,873,047,631.87
VIII. Earnings per share:		
(I) Basic earnings per share (Yuan/share)	N/A	N/A
(II) Diluted earnings per share (Yuan/share)	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 March of 2020

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan
Currency: RMB
Type of audit: Unaudited

Items	Three months ended 31 March 2020	Three months ended 31 March 2019
I. Cash flows from operating activities:		
Cash received from interests, fees and commissions	6,108,709,940.62	3,809,765,997.61
Net decrease in advances to customers	247,456,722.18	–
Net increase in repurchase businesses	20,069,421,577.12	13,474,958,212.64
Net cash received from brokerage clients	9,978,510,225.61	26,896,125,499.20
Cash received from other operating activities	9,134,238,034.69	1,084,919,445.02
Sub-total of cash inflows from operating activities	45,538,336,500.22	45,265,769,154.47
Net increase in financial assets held for trading	14,834,640,359.14	10,737,709,475.12
Net increase in placements with banks	–	1,008,474,429.19
Net increase in advances to customers	–	6,442,750,926.16
Cash for the payment of interests, fees and commissions	1,118,997,091.68	743,211,833.70
Cash payments for employees	1,855,071,431.07	913,168,288.31
Cash paid for taxes	673,724,490.94	482,052,363.82
Cash paid for other operating activities	5,944,400,569.36	2,018,794,074.01
Sub-total of cash outflows from operating activities	24,426,833,942.19	22,346,161,390.31
Net cash flow from operating activities	21,111,502,558.03	22,919,607,764.16

Items	Three months ended 31 March 2020	Three months ended 31 March 2019
II. Cash flows from investing activities:		
Cash received from gains on investments	308,159,827.70	274,576,265.92
Net increase in cash for debt investment	764,061,047.89	394,097,295.18
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,104,799.16	1,043,854.81
Cash received from other investing activities	6,018,331,607.61	2,888,080,400.00
Sub-total of cash inflows from investing activities	7,094,657,282.36	3,557,797,815.91
Cash paid for investments	3,300,000.00	–
Net decrease in purchase or disposal of financial assets held for trading	–	311,118,696.23
Net decrease in purchase or disposal of other debt investment	9,079,865,170.93	1,998,226,295.11
Net decrease in cash from acquisition or disposal of other equity instruments investment	2,484,255,548.31	–
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	130,730,440.28	27,623,025.81
Cash paid for other investing activities	–	916,248,630.00
Sub-total of cash outflows from investing activities	11,698,151,159.52	3,253,216,647.15
Net cash flows from investing activities	-4,603,493,877.16	304,581,168.76

Items	Three months ended 31 March 2020	Three months ended 31 March 2019
III. Cash flows from financing activities:		
Cash received from consolidation of structured entities	20,043,530.51	786,006,542.30
Cash received from borrowings	49,704,264.14	–
Cash received from issuance of bonds payable and long-term income rights certificates	15,130,070,000.00	14,469,349,354.49
Cash received from issuance of short-term financing notes and short-term income rights certificates	19,767,010,000.00	5,088,330,000.00
Sub-total of cash inflows from financing activities	34,966,827,794.65	20,343,685,896.79
Cash paid for consolidation of structured entities	34,566,964.48	1,821,445,733.10
Cash paid for debt repayment	22,062,591,320.95	12,084,323,388.68
Cash paid for dividend and profit distribution or interest payment	1,367,042,102.48	954,780,072.24
Including: Dividend and profit paid to minority shareholders by subsidiaries	–	–
Sub-total of cash outflows from financing activities	23,464,200,387.91	14,860,549,194.02
Net cash flows from financing activities	11,502,627,406.74	5,483,136,702.77
IV. Effect of changes in foreign exchange rates on cash and cash equivalents	39,477,238.30	-101,047,229.67
V. Net increase in cash and cash equivalents	28,050,113,325.91	28,606,278,406.02
Add: Balance of cash and cash equivalents at the beginning of the period	70,916,867,149.75	53,484,241,796.48
VI. Cash and cash equivalents at the end of the period	98,966,980,475.66	82,090,520,202.50

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 Cash Flows
January to March of 2020

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan
Currency: RMB
Type of audit: Unaudited

Items	Three months ended 31 March 2020	Three months ended 31 March 2019
I. Cash flows from operating activities:		
Cash received from interests, fees and commissions	4,772,134,569.74	3,616,761,650.70
Net increase in due to banks	–	300,000,000.00
Net increase in repurchase businesses	19,707,566,211.40	13,450,913,761.00
Net cash received from brokerage clients	10,822,911,891.82	24,381,353,373.27
Cash received from other operating activities	696,257,406.37	1,717,758,323.81
Sub-total of cash inflows from operating activities	35,998,870,079.33	43,466,787,108.78
Net increase in financial assets held for trading	13,673,078,190.09	10,828,141,691.89
Cash paid for interests, fees and commission	806,154,664.68	728,171,659.64
Net increase in advances to customers	995,613,479.53	7,838,822,887.28
Cash payments for employees	1,387,250,544.27	735,589,912.23
Cash paid for taxes	604,271,623.96	405,017,971.24
Cash paid for other operating activities	523,444,674.91	957,691,651.29
Sub-total of cash outflows from operating activities	17,989,813,177.44	21,493,435,773.57
Net cash flows from operating activities	18,009,056,901.89	21,973,351,335.21

Items	Three months ended 31 March 2020	Three months ended 31 March 2019
II. Cash flows from investing activities:		
Cash received from return of investment	–	280,766,559.44
Net increase in purchase or disposal of financial assets held for trading	–	271,965,094.53
Net increase in cash from debt investment	63,287,357.70	–
Cash received from investment gain	256,849,400.31	–
Net cash received from disposal of fixed assets, intangible assets and other long- term assets	370,634.18	987,630.61
Sub-total of cash inflows from investing activities	320,507,392.19	553,719,284.58
Cash paid for investments	3,300,000.00	1,500,000,000.00
Net decrease in cash for purchase or disposal of other debt investment	9,120,248,288.48	1,998,226,295.10
Net decrease in cash from acquisition or disposal of other equity instruments investment	2,484,266,857.49	–
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	21,421,083.42	24,734,857.62
Cash paid for other investing activities	2,318,200.00	–
Sub-total of cash outflows from investing activities	11,631,554,429.39	3,522,961,152.72
Net cash flows from investing activities	-11,311,047,037.20	-2,969,241,868.14
III. Cash flows from financing activities:		
Cash received from issuance of long-term corporate bonds and long-term income rights certificates	15,130,070,000.00	14,469,349,354.49
Cash received from issuance of short-term corporate bonds and short-term income rights certificates	19,767,010,000.00	5,088,330,000.00
Sub-total of cash inflows from financing activities	34,897,080,000.00	19,557,679,354.49
Cash paid for debt repayment	21,469,210,000.00	11,618,220,188.68
Cash paid for dividend and profit distribution or interest payment	1,417,126,490.59	939,191,321.01
Cash paid for other financing activities	4,956,081.36	–
Sub-total of cash outflows from financing activities	22,891,292,571.95	12,557,411,509.69
Net cash flows from financing activities	12,005,787,428.05	7,000,267,844.80

Items	Three months ended 31 March 2020	Three months ended 31 March 2019
IV. Effect of changes in foreign exchange rates on cash and cash equivalents	24,444,826.31	-30,035,922.41
V. Net increase in cash and cash equivalents	18,728,242,119.05	25,974,341,389.46
Add: Balance of cash and cash equivalents at the beginning of the period	64,374,434,866.30	48,343,808,167.15
VI. Cash and cash equivalents at the end of the period	83,102,676,985.35	74,318,149,556.61

Legal Representative: Chen Gongyan	Person-in-charge of accounting affairs: Wu Chengming	Person-in-charge of accounting department: 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 Revenue Standards and New Leasing Standards since 2020.

☐Applicable ✓Not Applicable

4.3 Explanation for the retrospective adjustment to previous comparable data in respect of first implementation of the New Revenue Standards and New Lease Standards since 2020.

☐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
27 April 2020

As at the date of this announcement, the executive Directors are Mr. Chen Gongyan (Chairman) and Mr. Chen Liang (Vice Chairman and President); 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.