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国联证券股份有限公司
GUOLIAN SECURITIES CO., LTD.

*(a joint stock limited company established in the People's Republic of China with limited liability)*

**(Stock Code: 01456)**

# THIRD QUARTERLY REPORT OF 2020

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

This announcement contains the "Third Quarterly Report of 2020 of Guolian Securities Co., Ltd." as published on the website of the Shanghai Stock Exchange by the Company. This report has been prepared in both Chinese and English. Should there be any discrepancies between the two versions, the Chinese version shall prevail.

## I. IMPORTANT NOTICE

1.1 The board of directors, the supervisory committee, directors, supervisors and senior management of the Company undertake that the information in this quarterly report is true, accurate and complete and contains no false record, misleading statement or material omission, and assume individual and joint liabilities to the information in this report.

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

1.3 Yao Zhiyong, the person-in-charge of the Company, Ge Xiaobo, the person in charge of accounting affairs of the Company, and Chen Zhiying, the person in charge of the accounting office of the Company (head of accounting department), hereby guarantee that the financial statements contained in this quarterly report are true, accurate and complete.

1.4 This third quarterly report of the Company is unaudited.

# II. BASIC INFORMATION OF THE COMPANY

## 2.1 Key financial data

*Unit: Yuan Currency: RMB*

| | **As at the end of the Reporting Period** | As at the end of the previous year | **Increase/decrease as at the end of the Reporting Period as compared with the end of the previous year** *(%)* |
|---|---|---|---|
| Total assets | **41,513,506,834.02** | 28,419,402,850.65 | 46.07 |
| Net assets attributable to shareholders of listed company | **10,469,948,012.24** | 8,067,325,962.92 | 29.78 |

| | **From the beginning of the year to the end of the Reporting Period (January to September)** | From the beginning of the previous year to the end of the Reporting Period of the previous year (January to September) | **Increase/decrease as compared with the corresponding period of the previous year** *(%)* |
|---|---|---|---|
| Net cash flows generated from operating activities | **–2,716,265,913.56** | 4,261,928,688.76 | N/A |

| | **From the beginning of the year to the end of the Reporting Period (January to September)** | From the beginning of the previous year to the end of the Reporting Period of the previous year (January to September) | **Increase/decrease as compared with the corresponding period of the previous year** *(%)* |
|---|---|---|---|
| Operating income | **1,365,263,095.93** | 1,208,112,772.95 | 13.01 |
| Net profit attributable to shareholders of listed company | **459,155,385.32** | 477,873,806.55 | –3.92 |
| Net profit attributable to shareholders of listed company excluding non-recurring profit or loss | **455,359,434.46** | 474,521,053.68 | –4.04 |
| Weighted average return on net assets *(%)* | **5.26** | 6.08 | Decreased by 0.82 percentage points |
| Basic earnings per share *(in RMB per share)* | **0.23** | 0.25 | –8.00 |
| Diluted earnings per share *(in RMB per share)* | **0.23** | 0.25 | –8.00 |

**Non-recurring profit or loss items and amounts**

✓ Applicable ☐ Not applicable

*Unit: Yuan Currency: RMB*

| Items | Amount for the current period (July to September) | Amount from the beginning of the year to the end of the Reporting Period (January to September) | Explanation |
|---|---|---|---|
| Profit or loss on disposal of non-current assets | 18,299.94 | 219,360.12 | – |
| Government grants included in current profit or loss, except for those closely relevant to normal business of the Company, conformed to the requirements of national policies and can be continuously enjoyed on a fixed amount or quantity basis according to certain standards | –144,721.33 | 10,022,246.44 | – |
| Other non-operating income and expenses apart from the aforesaid items | –293,184.53 | –5,180,338.74 | – |
| Effect on income tax | 104,901.48 | –1,265,316.96 | – |
| Total | –314,704.44 | 3,795,950.86 | – |

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

*Unit: share*

| | |
|---|---|
| Total number of shareholders | 134,353 |

**Particulars of shareholdings of top ten shareholders**

| Name of shareholders (full name) | Number of shares held as at the end of the period | Percentage (%) | Number of shares held subject to selling restrictions | Shares pledged or frozen Status of shares | Shares pledged or frozen Number of shares | Nature of shareholders |
|---|---|---|---|---|---|---|
| Wuxi Guolian Development (Group) Co., Ltd. | 543,901,329 | 22.87 | 543,901,329 | Nil | – | State-owned legal person |
| HKSCC (Nominees) Limited | 442,500,850 | 18.61 | 0 | Unknown | – | Overseas legal person |
| Guolian Trust Co., Ltd. | 390,137,552 | 16.41 | 390,137,552 | Nil | – | State-owned legal person |
| Wuxi Guolian Municipal Electric Power Co., Ltd. | 266,899,445 | 11.22 | 266,899,445 | Nil | – | State-owned legal person |
| Wuxi Minsheng Investment Co., Ltd. | 73,500,000 | 3.09 | 73,500,000 | Nil | – | State-owned legal person |
| Wuxi Cotton Textile Group Co., Ltd. | 72,784,141 | 3.06 | 72,784,141 | Nil | – | State-owned legal person |
| Wuxi Huaguang Environment & Energy Group Co., Ltd. | 29,113,656 | 1.22 | 29,113,656 | Nil | – | State-owned legal person |
| Wuxi Jinhong Telecommunications Group Co., Ltd. | 24,000,000 | 1.01 | 24,000,000 | Nil | – | Domestic non-state owned legal person |
| Jiangsu Xinfang Industrial Co., Ltd. | 22,500,000 | 0.95 | 22,500,000 | Nil | – | Domestic non-state owned legal person |
| Wuxi Weifu High-technology Co.,Ltd. | 18,000,000 | 0.76 | 18,000,000 | Nil | – | Domestic non-state owned legal person |

## Particulars of shareholdings of top ten shareholders not subject to selling restrictions

| Name of shareholders | Number of tradable shares held not subject to selling restrictions | Type and number of shares | |
|---|---|---|---|
| | | Type | Number of shares |
| HKSCC (Nominees) Limited | 442,500,850 | Overseas listed foreign shares | 442,500,850 |
| Chen Shihui（陳世輝） | 11,765,192 | RMB ordinary shares | 11,765,192 |
| Zheng Hong（鄭紅） | 4,823,600 | RMB ordinary shares | 4,823,600 |
| Feng Lijuan（馮麗娟） | 3,900,000 | RMB ordinary shares | 3,900,000 |
| Hong Kong Securities Clearing Company Limited | 2,663,795 | RMB ordinary shares | 2,663,795 |
| China Construction Bank Corporation – Wanjia Science and Technology Theme Three-year Closed-end Flexible Allocation of Mixed Securities Investment Fund | 2,647,243 | RMB ordinary shares | 2,647,243 |
| Industrial and Commercial Bank of China – Wanjia STAR Market Two-year Regularly Opened Mixed Securities Investment Fund | 2,125,400 | RMB ordinary shares | 2,125,400 |
| Wang Yi（王夷） | 1,767,765 | RMB ordinary shares | 1,767,765 |
| Industrial and Commercial Bank of China – SWS MU CSI SW Securities Industry Index Structured Securities Investment Fund | 1,597,343 | RMB ordinary shares | 1,597,343 |
| Tong Yue（佟悦） | 1,355,000 | RMB ordinary shares | 1,355,000 |

| | |
|---|---|
| Explanation on related relationship or acting in concert among the above shareholders | As of the end of the Reporting Period, Wuxi Guolian Development (Group) Co., Ltd., the controlling shareholder of the Company, directly held 22.87% of the shares in the Company, and indirectly held 35.00% of the shares in the Company through Guolian Trust Co., Ltd., Wuxi Guolian Municipal Electric Power Co., Ltd., Wuxi Minsheng Investment Co., Ltd., Wuxi Cotton Textile Group Co., Ltd. and Wuxi Huaguang Environment & Energy Group Co., Ltd., and thus holding 57.87% of the shares in the Company in total. In addition to the above, the Company is not aware of any other related relationships or concerted action arrangement. |
| Explanation on restored voting rights by shareholders of preference shares and number of shares held | Not applicable |

*Note 1:* As of 30 September 2020, the total number of shareholders of the Company was 134,353, comprising of 134,250 holders of A shares and 103 registered shareholders of H shares.

*Note 2:* The shares held by HKSCC (Nominees) Limited are owned by the non-registered shareholders of H shares of the Company.

*Note 3:* The shares held by Hong Kong Securities Clearing Company Limited are the A shares of the Company held by the investors of Shanghai Stock Connect of the Company.

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

☐ Applicable ✓ Not applicable

# III. SIGNIFICANT EVENTS

## 3.1 Descriptions and reasons for significant changes in major accounting statement items, financial indicators of the Company

✓ Applicable ☐ Not applicable

*Unit: Yuan Currency: RMB*

| Items of balance sheet | As at the end of the Reporting Period | As at the end of the previous year | Changes (%) | Reasons for the changes |
|---|---|---|---|---|
| Clearing settlement funds | **2,838,229,172.95** | 2,100,537,589.97 | 35.12 | Increase in self-owned and credit reserve funds |
| Margin accounts receivable | **7,477,978,382.21** | 4,638,396,986.19 | 61.22 | Increase in margin accounts receivable of customers |
| Refundable deposits | **132,013,470.96** | 64,634,159.89 | 104.25 | Increase in trading and credit margin |
| Accounts receivable | **25,380,534.16** | 92,969,173.83 | –72.70 | Timing difference in subscription payment |
| Financial assets held under resale agreements | **1,782,710,736.07** | 3,426,927,199.36 | –47.98 | Decrease in stock pledged repurchase business |
| Financial assets held for trading | **16,122,883,029.68** | 8,222,946,483.32 | 96.07 | Increase in the scale of bonds and assets management products held |
| Other assets | **759,394,061.55** | 115,307,418.36 | 558.58 | Increase in derivative contract deposits |
| Short-term financing instruments payables | **3,519,837,260.29** | 1,309,032,876.82 | 168.89 | Increase in the scale of short-term financing bonds and income certificates |
| Placements from banks and other financial institutions | **300,046,666.67** | 200,284,931.51 | 49.81 | Increase in placements from non-bank financial institutions |
| Financial assets sold under repurchase agreements | **8,218,942,054.29** | 3,692,992,406.91 | 122.56 | Increase in the scale of pledged financial assets sold under repurchase agreements |
| Tax payable | **71,895,305.38** | 23,781,582.28 | 202.32 | Increase in income tax payable |

| Items of balance sheet | As at the end of the Reporting Period | As at the end of the previous year | Changes (%) | Reasons for the changes |
|---|---|---|---|---|
| Accounts payable | **372,677,435.96** | 222,399,009.91 | 67.57 | Timing difference in settlement payables |
| Bonds payable | **6,920,416,383.51** | 5,145,994,931.39 | 34.48 | Increase in the scale of corporate bonds and subordinated bonds |
| Other liabilities | **894,713,587.36** | 26,497,274.65 | 3,276.62 | Increase in derivative contract deposits payables |
| Capital reserve | **3,644,894,031.04** | 2,163,660,566.51 | 68.46 | IPO fund-raising |

| Items of income statement | From the beginning of the year to the end of the Reporting Period (January to September) | From the beginning of the previous year to the end of the Reporting Period of the previous year (January to September) | Changes (%) | Reasons for the changes |
|---|---|---|---|---|
| Net interest income | **238,360,677.31** | 397,809,993.29 | –40.08 | Increase in interest expenses |
| Net fee and commission income | **653,727,651.75** | 461,604,510.30 | 41.62 | Increase in net fee income from brokerage business |
| Investment income | **429,683,787.63** | 203,551,717.08 | 111.09 | Increase in investment income from holding and disposing of financial assets held for trading |
| Other income | **5,970,493.52** | 2,899,599.47 | 105.91 | Increase in government subsidies |
| Gains on changes in fair value | **29,227,546.60** | 128,921,017.75 | –77.33 | Decrease in unrealized gains from financial instruments |
| Gains on foreign exchange | **4,758,966.33** | 8,273,107.77 | –42.48 | Decrease in gains on foreign exchange |
| Gains on disposal of assets | **181,569.49** | 373,195.35 | –51.35 | Decrease in gains on disposal of non-current assets |

| Items of income statement | **From the beginning of the year to the end of the Reporting Period (January to September)** | From the beginning of the previous year to the end of the Reporting Period of the previous year (January to September) | **Changes** *(%)* | **Reasons for the changes** |
|---|---|---|---|---|
| Taxes and surcharges | **11,170,045.10** | 8,117,186.67 | 37.61 | Increase in urban construction tax and education surcharge, stamp duty |
| Credit impairment losses | **–1,973,807.72** | –10,898,767.92 | –81.89 | Decrease in reversal of impairment of financial assets held under resale agreements |
| Non-operating income | **5,005,311.27** | 3,131,486.60 | 59.84 | Increase in local government subsidies |
| Non-operating expenses | **6,096,106.46** | 1,933,944.26 | 215.22 | Increase in donation expenses |

| Items of statement of cash flows | **From the beginning of the year to the end of the Reporting Period (January to September)** | From the beginning of the previous year to the end of the Reporting Period of the previous year (January to September) | **Changes** *(%)* | **Reasons for the changes** |
|---|---|---|---|---|
| Net cash flows generated from operating activities | **–2,716,265,913.56** | 4,261,928,688.76 | N/A | Primarily due to the increase in financial assets held for trading |
| Net cash flows generated from investing activities | **–1,474,007,612.86** | –221,996,682.52 | 563.98 | Primarily due to the increase in cash paid for investments |
| Net cash flows generated from financing activities | **5,998,565,295.32** | –712,383,455.24 | N/A | Primarily due to the year-on-year increase in IPO fund-raising and bond issuance |

### 3.2 Analysis and illustration of progress of significant events and their impacts and solutions

☐ Applicable ✓ Not applicable

### 3.3 Overdue and unfulfilled undertakings during the Reporting Period

☐ Applicable ✓ Not applicable

### 3.4 Warning and reason for the forecast that the accumulated net profit from the beginning of the year to the end of the next Reporting Period may be a loss or has significant change as compared to the corresponding period of the previous year

☐ Applicable ✓ Not applicable

| | |
|---|---|
| Name of Company | Guolian Securities Co., Ltd. |
| Legal representative | Yao Zhiyong |
| Date | 28 October 2020 |

# IV. APPENDIX

## 4.1 Financial statement

**Consolidated Balance Sheet**
30 September 2020

Prepared by: Guolian Securities Co., Ltd.

*Unit: Yuan Currency: RMB Audit type: Unaudited*

| Items | 30 September 2020 | 31 December 2019 |
|---|---|---|
| **Assets:** | | |
| Monetary capital | **10,906,502,564.52** | 9,304,970,679.56 |
| Including: Cash deposits from customers | **7,187,610,881.92** | 6,547,713,058.38 |
| Clearing settlement funds | **2,838,229,172.95** | 2,100,537,589.97 |
| Including: Settlement funds held on behalf of customers | **1,847,469,691.82** | 1,740,469,697.68 |
| Precious metal | **–** | – |
| Placements with banks and other financial institutions | **–** | – |
| Margin accounts receivable | **7,477,978,382.21** | 4,638,396,986.19 |
| Derivative financial assets | **41,737,985.98** | – |
| Refundable deposits | **132,013,470.96** | 64,634,159.89 |
| Accounts receivable | **25,380,534.16** | 92,969,173.83 |
| Receivables for financing | **–** | – |
| Contract assets | **–** | – |
| Financial assets held under resale agreements | **1,782,710,736.07** | 3,426,927,199.36 |
| Assets held for sale | **–** | – |

| Items | 30 September 2020 | 31 December 2019 |
|---|---|---|
| **Financial investments:** | | |
| Financial assets held for trading | **16,122,883,029.68** | 8,222,946,483.32 |
| Debt investment | **–** | – |
| Other debt investment | **1,010,948,182.00** | – |
| Other equity instruments investment | **–** | – |
| Long-term equity investment | **89,908,717.64** | 104,200,584.14 |
| Investment properties | **–** | – |
| Fixed assets | **88,953,227.87** | 88,137,120.10 |
| Construction in progress | **–** | – |
| Right-of-use assets | **152,680,420.46** | 171,928,524.05 |
| Intangible assets | **45,575,553.10** | 50,297,363.91 |
| Goodwill | **–** | – |
| Deferred income tax assets | **38,610,794.87** | 38,149,567.97 |
| Other assets | **759,394,061.55** | 115,307,418.36 |
| Total assets | **41,513,506,834.02** | 28,419,402,850.65 |

| Items | **30 September 2020** | 31 December 2019 |
|---|---|---|
| **Liabilities:** | | |
| Short-term borrowings | **–** | – |
| Short-term financing instruments payables | **3,519,837,260.29** | 1,309,032,876.82 |
| Placements from banks and other financial institutions | **300,046,666.67** | 200,284,931.51 |
| Financial liabilities held for trading | **1,154,053,754.34** | 1,080,461,977.42 |
| Derivative financial liabilities | **58,457,294.43** | – |
| Financial assets sold under repurchase agreements | **8,218,942,054.29** | 3,692,992,406.91 |
| Amount of agency sales of securities | **9,118,051,362.91** | 8,212,332,819.03 |
| Amount of agency underwriting of securities | **–** | – |
| Remuneration payable to employees | **253,038,151.15** | 259,073,566.37 |
| Tax payable | **71,895,305.38** | 23,781,582.28 |
| Accounts payable | **372,677,435.96** | 222,399,009.91 |
| Contract liabilities | **4,305,193.43** | 3,543,558.21 |
| Liabilities held for sale | **–** | – |
| Provisions | **1,868,504.16** | 1,868,504.15 |
| Long-term borrowings | **–** | – |
| Bonds payable | **6,920,416,383.51** | 5,145,994,931.39 |
| Including: Preference shares | **–** | – |
| Perpetual bonds | **–** | – |
| Lease liabilities | **155,255,867.90** | 172,650,387.22 |
| Deferred income | **–** | – |
| Deferred income tax liabilities | **–** | 1,163,061.86 |
| Other liabilities | **894,713,587.36** | 26,497,274.65 |
| Total liabilities | **31,043,558,821.78** | 20,352,076,887.73 |

| Items | **30 September 2020** | 31 December 2019 |
|---|---|---|
| **Owners' equity (or shareholders' equity):** | | |
| Paid up capital (or share capital) | **2,378,119,000.00** | 1,902,400,000.00 |
| Other equity instruments | **–** | – |
| Including: Preference shares | **–** | – |
| Perpetual bonds | **–** | – |
| Capital reserve | **3,644,894,031.04** | 2,163,660,566.51 |
| Less: Treasury stocks | **–** | – |
| Other comprehensive income | **–13,485,800.53** | – |
| Surplus reserve | **548,961,098.90** | 548,961,098.90 |
| General risk reserve | **1,430,211,719.08** | 1,429,177,349.22 |
| Undistributed profits | **2,481,247,963.75** | 2,023,126,948.29 |
| Total equity attributable to the owners of the parent company (or shareholders' equity) | **10,469,948,012.24** | 8,067,325,962.92 |
| Interests of minority shareholders | **–** | – |
| Total owners' equity (or shareholders' equity) | **10,469,948,012.24** | 8,067,325,962.92 |
| Total liabilities and owners' equity (or shareholders' equity) | **41,513,506,834.02** | 28,419,402,850.65 |

| *Legal Representative:* | *Person in Charge of Accounting Affairs:* | *Person in Charge of the Accounting Office:* |
|---|---|---|
| **Yao Zhiyong** | **Ge Xiaobo** | **Chen Zhiying** |

## Balance Sheet of the Parent Company

30 September 2020

Prepared by: Guolian Securities Co., Ltd.

*Unit: Yuan Currency: RMB Audit type: Unaudited*

| Items | 30 September 2020 | 31 December 2019 |
|---|---|---|
| **Assets:** | | |
| Monetary capital | **10,027,823,149.23** | 8,483,061,049.01 |
| Including: Cash deposits from customers | **7,187,610,881.92** | 6,547,713,058.38 |
| Clearing settlement funds | **2,823,526,477.27** | 2,091,545,331.13 |
| Including: Settlement funds held on behalf of customers | **1,847,469,691.82** | 1,740,469,697.68 |
| Precious metal | **–** | – |
| Placements with banks and other financial institutions | **–** | – |
| Margin accounts receivable | **7,477,978,382.21** | 4,638,396,986.19 |
| Derivative financial assets | **41,737,985.98** | – |
| Refundable deposits | **131,593,893.10** | 64,221,963.33 |
| Accounts receivable | **18,307,665.76** | 21,895,552.56 |
| Receivables for financing | **–** | – |
| Contract assets | **–** | – |
| Financial assets held under resale agreements | **1,595,465,084.71** | 2,818,589,672.83 |
| Assets held for sale | **–** | – |

| Items | 30 September 2020 | 31 December 2019 |
|---|---|---|
| **Financial investments:** | | |
| Financial assets held for trading | **14,554,291,376.84** | 7,213,776,844.04 |
| Debt investment | **–** | – |
| Other debt investment | **1,010,948,182.00** | – |
| Other equity instruments investment | **–** | – |
| Long-term equity investment | **1,488,044,099.30** | 1,287,975,380.59 |
| Investment properties | **–** | – |
| Fixed assets | **87,912,366.30** | 86,680,109.42 |
| Construction in progress | **–** | – |
| Right-of-use assets | **138,001,775.23** | 149,190,268.09 |
| Intangible assets | **45,540,553.10** | 50,217,363.91 |
| Goodwill | **–** | – |
| Deferred income tax assets | **27,504,905.18** | 34,774,936.90 |
| Other assets | **749,232,705.86** | 104,563,346.02 |
| Total assets | **40,217,908,602.07** | 27,044,888,804.02 |

| Items | **30 September 2020** | 31 December 2019 |
|---|---|---|
| **Liabilities:** | | |
| Short-term borrowings | **–** | – |
| Short-term financing instruments payables | **3,519,837,260.29** | 1,309,032,876.82 |
| Placements from banks and other financial institutions | **300,046,666.67** | 200,284,931.51 |
| Financial liabilities held for trading | **397,854,892.53** | – |
| Derivative financial liabilities | **58,457,294.43** | – |
| Financial assets sold under repurchase agreements | **7,983,318,212.19** | 3,685,993,114.45 |
| Amount of agency sales of securities | **9,118,051,362.91** | 8,212,332,819.03 |
| Amount of agency underwriting of securities | **–** | – |
| Remuneration payable to employees | **158,252,074.97** | 176,112,338.62 |
| Tax payable | **59,818,290.45** | 9,506,109.43 |
| Accounts payable | **372,450,788.90** | 196,916,350.72 |
| Contract liabilities | **893,400.96** | 893,400.96 |
| Liabilities held for sale | **–** | – |
| Provisions | **4,412,970.08** | 4,655,291.36 |
| Long-term borrowings | **–** | – |
| Bonds payable | **6,898,295,502.47** | 5,136,934,063.93 |
| Including: Preference shares | **–** | – |
| Perpetual bonds | **–** | – |
| Lease liabilities | **141,568,006.14** | 149,973,757.50 |
| Deferred income | **–** | – |
| Deferred income tax liabilities | **–** | – |
| Other liabilities | **887,793,501.01** | 19,680,350.73 |
| Total liabilities | **29,901,050,224.00** | 19,102,315,405.06 |

| Items | **30 September 2020** | 31 December 2019 |
|---|---|---|
| **Owners' equity (or shareholders' equity):** | | |
| Paid up capital (or share capital) | **2,378,119,000.00** | 1,902,400,000.00 |
| Other equity instruments | **–** | – |
| Including: Preference shares | **–** | – |
| Perpetual bonds | **–** | – |
| Capital reserve | **3,639,707,179.14** | 2,177,341,639.14 |
| Less: Treasury stocks | **–** | – |
| Other comprehensive income | **–3,150,018.30** | – |
| Surplus reserve | **548,961,098.90** | 548,961,098.90 |
| General risk reserve | **1,374,559,884.46** | 1,373,525,514.60 |
| Undistributed profits | **2,378,661,233.87** | 1,940,345,146.32 |
| Total owners' equity (or shareholders' equity) | **10,316,858,378.07** | 7,942,573,398.96 |
| Total liabilities and owners' equity (or shareholders' equity) | **40,217,908,602.07** | 27,044,888,804.02 |

| *Legal Representative:* | *Person in Charge of Accounting Affairs:* | *Person in Charge of the Accounting Office:* |
|---|---|---|
| **Yao Zhiyong** | **Ge Xiaobo** | **Chen Zhiying** |

## Consolidated Income Statement

January to September 2020

Prepared by: Guolian Securities Co., Ltd.

*Unit: Yuan Currency: RMB Audit type: Unaudited*

| Items | **Third quarter of 2020 (July to September)** | Third quarter of 2019 (July to September) | **First three quarters of 2020 (January to September)** | First three quarters of 2019 (January to September) |
|---|---|---|---|---|
| I. Total revenue | **542,922,052.89** | 356,683,902.96 | **1,365,263,095.93** | 1,208,112,772.95 |
| Net interest income | **82,317,097.06** | 130,381,016.64 | **238,360,677.31** | 397,809,993.29 |
| Including: Interest income | **239,763,602.56** | 232,043,715.31 | **655,692,812.76** | 678,639,345.90 |
| Interest expenses | **157,446,505.50** | 101,662,698.67 | **417,332,135.45** | 280,829,352.61 |
| Net fee and commission income | **271,835,259.97** | 137,321,560.09 | **653,727,651.75** | 461,604,510.30 |
| Including: Net fee income from brokerage business | **174,214,894.84** | 77,384,212.06 | **410,406,862.47** | 286,558,541.54 |
| Net fee income from investment banking business | **84,294,180.58** | 49,183,738.68 | **192,811,463.53** | 136,230,761.39 |
| Net fee income from asset management business | **8,950,844.20** | 8,934,958.37 | **44,337,944.96** | 35,799,543.39 |
| Investment income (Losses are denoted as "–") | **186,326,210.53** | 71,252,916.14 | **429,683,787.63** | 203,551,717.08 |
| Including: Investment income from associates and joint ventures | **–19,236,078.20** | – | **–14,516,131.84** | 4,982,834.77 |
| Other income | **–144,721.33** | 462,482.05 | **5,970,493.52** | 2,899,599.47 |
| Gains on changes in fair value (Losses are denoted as "–") | **1,375,342.73** | 8,049,847.61 | **29,227,546.60** | 128,921,017.75 |
| Gains on foreign exchange (Losses are denoted as "–") | **–878,092.88** | 7,117,057.72 | **4,758,966.33** | 8,273,107.77 |
| Other operating income | **2,072,555.74** | 1,740,454.19 | **3,352,403.30** | 4,679,631.94 |
| Gains on disposal of assets (Losses are denoted as "–") | **18,401.07** | 358,568.52 | **181,569.49** | 373,195.35 |

| Items | **Third quarter of 2020 (July to September)** | Third quarter of 2019 (July to September) | **First three quarters of 2020 (January to September)** | First three quarters of 2019 (January to September) |
|---|---|---|---|---|
| II. Total operating costs | **347,790,363.26** | 191,250,741.25 | **731,549,818.10** | 574,758,788.76 |
| Taxes and surcharges | **4,453,778.89** | 2,000,479.82 | **11,170,045.10** | 8,117,186.67 |
| Business and administrative expenses | **340,202,498.81** | 205,559,804.69 | **722,353,580.72** | 577,540,370.01 |
| Credit impairment losses | **3,134,085.56** | –16,309,543.26 | **–1,973,807.72** | –10,898,767.92 |
| Other assets impairment losses | **–** | – | **–** | – |
| Other operating costs | **–** | – | **–** | – |
| III. Operating profit (Losses are denoted as "–") | **195,131,689.63** | 165,433,161.71 | **633,713,277.83** | 633,353,984.19 |
| Add: Non-operating income | **732,992.57** | 580,425.28 | **5,005,311.27** | 3,131,486.60 |
| Less: Non-operating expenses | **1,026,278.23** | 1,477,030.02 | **6,096,106.46** | 1,933,944.26 |
| IV. Total profit (Total losses are denoted as "–") | **194,838,403.97** | 164,536,556.97 | **632,622,482.64** | 634,551,526.53 |
| Less: Income tax expenses | **56,926,187.24** | 42,984,005.89 | **173,467,097.32** | 156,677,719.98 |
| V. Net profit (Net losses are denoted as "–") | **137,912,216.73** | 121,552,551.08 | **459,155,385.32** | 477,873,806.55 |
| (I) Classified by continuity of operations | | | | |
| 1. Net profit from continuing operations (Net losses are denoted as "–") | **137,912,216.73** | 121,552,551.08 | **459,155,385.32** | 477,873,806.55 |
| (II) Classified by ownership | | | | |
| 1. Net profit attributable to shareholders of parent company (Net losses are denoted as "–") | **137,912,216.73** | 121,552,551.08 | **459,155,385.32** | 477,873,806.55 |

| Items | **Third quarter of 2020 (July to September)** | Third quarter of 2019 (July to September) | **First three quarters of 2020 (January to September)** | First three quarters of 2019 (January to September) |
|---|---|---|---|---|
| VI. Other comprehensive income after tax, net | **–13,674,761.69** | – | **–13,485,800.53** | – |
| Other comprehensive income after tax, net, attributable to owners of parent company | **–13,674,761.69** | – | **–13,485,800.53** | – |
| (I) Other comprehensive income not to be reclassified to profit or loss | **–** | – | **–** | – |
| (II) Other comprehensive income to be reclassified to profit or loss | **–13,674,761.69** | – | **–13,485,800.53** | – |
| 1. Changes in fair value of other debt investments | **–6,849,986.98** | – | **–6,849,986.98** | – |
| 2. Allowance for credit losses on other debt investments | **3,699,968.68** | – | **3,699,968.68** | – |
| 3. Exchange differences arising from translation of financial statements denominated in foreign currencies | **–10,524,743.39** | – | **–10,335,782.23** | – |
| VII. Total comprehensive income | **124,237,455.04** | 121,552,551.08 | **445,669,584.79** | 477,873,806.55 |
| Total comprehensive income attributable to owners of parent company | **124,237,455.04** | 121,552,551.08 | **445,669,584.79** | 477,873,806.55 |
| VIII. Earnings per share: | | | | |
| (I) Basic earnings per share *(in RMB per share)* | **0.06** | 0.06 | **0.23** | 0.25 |
| (II) Diluted earnings per share *(in RMB per share)* | **0.06** | 0.06 | **0.23** | 0.25 |

| *Legal Representative:* | *Person in Charge of Accounting Affairs:* | *Person in Charge of the Accounting Office:* |
|---|---|---|
| **Yao Zhiyong** | **Ge Xiaobo** | **Chen Zhiying** |

**Income Statement of the Parent Company**

January to September 2020

Prepared by: Guolian Securities Co., Ltd.

*Unit: Yuan Currency: RMB Audit type: Unaudited*

| Items | **Third quarter of 2020 (July to September)** | Third quarter of 2019 (July to September) | **First three quarters of 2020 (January to September)** | First three quarters of 2019 (January to September) |
|---|---|---|---|---|
| I. Total revenue | **445,588,671.22** | 280,154,806.24 | **1,137,254,435.89** | 1,037,165,606.99 |
| Net interest income | **74,990,257.78** | 114,382,379.05 | **209,298,550.45** | 355,417,222.48 |
| Including: Interest income | **227,359,596.77** | 208,856,712.90 | **626,024,920.05** | 635,046,342.09 |
| Interest expenses | **152,369,338.99** | 94,474,333.85 | **416,726,369.60** | 279,629,119.61 |
| Net fee and commission income | **196,712,147.55** | 89,737,907.82 | **474,097,188.09** | 343,576,941.11 |
| Including: Net fee income from brokerages business | **174,214,894.84** | 70,390,035.56 | **410,406,862.47** | 279,564,365.04 |
| Net fee income from investment banking business | **1,826,372.10** | 1,091,194.97 | **3,543,551.30** | 14,596,377.76 |
| Net fee income from asset management business | **16,295,538.10** | 16,437,781.55 | **53,974,827.04** | 46,400,290.14 |
| Investment income (Losses are denoted as "–") | **166,770,262.44** | 31,095,168.29 | **415,931,272.84** | 162,699,718.85 |
| Including: Investment income from associates and joint ventures | **–19,236,078.20** | – | **–14,667,500.50** | 1,545,731.01 |
| Other income | **–341,284.54** | 454,709.02 | **3,133,111.22** | 2,079,522.98 |
| Gains on changes in fair value (Losses are denoted as "–") | **6,254,525.97** | 35,655,293.81 | **26,523,464.70** | 160,543,057.59 |
| Gains on foreign exchange (Losses are denoted as "–") | **–869,793.21** | 7,117,057.72 | **4,755,277.38** | 8,273,107.77 |
| Other operating income | **2,147,309.50** | 1,740,454.19 | **3,427,157.06** | 4,589,573.04 |
| Gains on disposal of assets (Losses are denoted as "–") | **–74,754.27** | –28,163.66 | **88,414.15** | –13,536.83 |

| Items | **Third quarter of 2020 (July to September)** | Third quarter of 2019 (July to September) | **First three quarters of 2020 (January to September)** | First three quarters of 2019 (January to September) |
|---|---|---|---|---|
| II. Total operating costs | **262,682,564.52** | 137,171,832.48 | **540,852,378.29** | 435,132,485.11 |
| Taxes and surcharges | **3,833,626.08** | 1,678,945.68 | **9,594,109.42** | 7,164,962.09 |
| Business and administrative expenses | **255,357,746.75** | 152,402,868.18 | **533,232,076.59** | 439,584,610.07 |
| Credit impairment losses | **3,491,191.69** | –16,909,981.38 | **–1,973,807.72** | –11,617,087.05 |
| Other assets impairment losses | **–** | – | **–** | – |
| Other operating costs | **–** | – | **–** | – |
| III. Operating profit (Losses are denoted as "–") | **182,906,106.70** | 142,982,973.76 | **596,402,057.60** | 602,033,121.88 |
| Add: Non-operating income | **821,176.63** | 580,425.28 | **4,985,421.03** | 2,651,486.60 |
| Less: Non-operating expenses | **783,955.75** | –1,301,525.51 | **5,853,783.98** | –844,611.27 |
| IV. Total profit (Total losses are denoted as "–") | **182,943,327.58** | 144,864,924.55 | **595,533,694.65** | 605,529,219.75 |
| Less: Income tax expenses | **52,267,272.60** | 37,044,800.45 | **156,183,237.24** | 151,492,162.99 |
| V. Net profit (Net losses are denoted as "–") | **130,676,054.98** | 107,820,124.10 | **439,350,457.41** | 454,037,056.76 |
| (I) Net profit from continuing operations (Net losses are denoted as "–") | **130,676,054.98** | 107,820,124.10 | **439,350,457.41** | 454,037,056.76 |
| VI. Other comprehensive income after tax, net | **–3,150,018.30** | – | **–3,150,018.30** | – |
| (I) Other comprehensive income not to be reclassified to profit or loss | **–** | – | **–** | – |
| (II) Other comprehensive income to be reclassified to profit or loss | **–3,150,018.30** | – | **–3,150,018.30** | – |
| 1. Changes in fair value of other debt investments | **–6,849,986.98** | – | **–6,849,986.98** | – |
| 2. Allowance for credit losses on other debt investments | **3,699,968.68** | – | **3,699,968.68** | – |
| VII. Total comprehensive income | **127,526,036.68** | 107,820,124.10 | **436,200,439.11** | 454,037,056.76 |

| *Legal Representative:* | *Person in Charge of Accounting Affairs:* | *Person in Charge of the Accounting Office:* |
|---|---|---|
| **Yao Zhiyong** | **Ge Xiaobo** | **Chen Zhiying** |

## Consolidated Statement of Cash Flows

January to September 2020

Prepared by: Guolian Securities Co., Ltd.

*Unit: Yuan Currency: RMB Audit type: Unaudited*

| Items | **First three quarters of 2020 (January to September)** | First three quarters of 2019 (January to September) |
|---|---|---|
| **1. Cash flows generated from operating activities:** | | |
| Cash received from interests, fees and commissions | **1,625,070,528.65** | 1,364,349,227.22 |
| Net increase in placements from banks and other financial institutions | **100,000,000.00** | – |
| Net increase in cash from repurchase business | **5,646,840,489.84** | 3,307,469,712.81 |
| Net cash received from agency sales of securities | **905,718,543.88** | 2,516,351,975.21 |
| Other cash received relating to operating activities | **900,867,490.60** | 54,254,461.24 |
| Sub-total of cash inflows from operating activities | **9,178,497,052.97** | 7,242,425,376.48 |
| Net increase in financial assets held for trading | **7,218,337,252.11** | 987,160,954.81 |
| Net increase in margin accounts receivable | **2,799,557,041.70** | 1,095,101,985.96 |
| Cash for payment of interests, fees and commissions | **351,247,228.46** | 163,756,775.26 |
| Cash paid to and on behalf of employees | **483,118,427.79** | 389,610,089.81 |
| Cash paid for all types of taxes | **164,382,499.85** | 173,506,891.15 |
| Other cash paid relating to operating activities | **878,120,516.62** | 171,359,990.73 |
| Sub-total of cash outflows from operating activities | **11,894,762,966.53** | 2,980,496,687.72 |
| Net cash flows generated from operating activities | **–2,716,265,913.56** | 4,261,928,688.76 |

| Items | **First three quarters of 2020 (January to September)** | First three quarters of 2019 (January to September) |
|---|---|---|
| **2. Cash flows generated from investing activities:** | | |
| Cash received from disposal of and returns on investments | **1,533,301,933.02** | 2,613,099,428.48 |
| Cash received from returns on investments | **11,631,881.88** | 13,868,897.90 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | **4,742,311.97** | 782,959.14 |
| Sub-total of cash inflows from investing activities | **1,549,676,126.87** | 2,627,751,285.52 |
| Cash paid for investments | **2,967,822,723.94** | 2,796,190,767.88 |
| Cash paid for purchase of fixed assets, intangible assets and other long-term assets | **55,861,015.79** | 53,557,200.16 |
| Sub-total of cash outflows from investing activities | **3,023,683,739.73** | 2,849,747,968.04 |
| Net cash flows generated from investing activities | **–1,474,007,612.86** | –221,996,682.52 |
| **3. Cash flows generated from financing activities:** | | |
| Cash received from investment | **1,938,084,540.00** | – |
| Including: Cash received by subsidiaries from investment from minority shareholders | **–** | – |
| Cash received from issuance of bonds | **11,960,748,000.00** | 1,660,000,000.00 |
| Other cash received relating to financing activities | **–** | – |
| Sub-total of cash inflows from financing activities | **13,898,832,540.00** | 1,660,000,000.00 |
| Cash paid for repayment of debts | **7,564,108,000.00** | 1,950,000,000.00 |
| Cash paid for distribution of dividends or profits, or interest expenses | **278,836,902.78** | 365,463,222.29 |
| Including: Cash payments for distribution of dividends and profits by subsidiaries to minority shareholders | **–** | – |
| Other cash paid relating to financing activities | **57,322,341.90** | 56,920,232.95 |
| Sub-total of cash outflows from financing activities | **7,900,267,244.68** | 2,372,383,455.24 |
| Net cash flows from financing activities | **5,998,565,295.32** | –712,383,455.24 |

| Items | First three quarters of 2020 (January to September) | First three quarters of 2019 (January to September) |
|---|---|---|
| **4. Effect of fluctuations in exchange rate on cash and cash equivalents** | **4,758,966.33** | 8,273,107.77 |
| **5. Net increase in cash and cash equivalents** | **1,813,050,735.23** | 3,335,821,658.77 |
| Add: Cash and cash equivalents at beginning of the period | **12,250,832,442.97** | 9,001,741,710.88 |
| **6. Cash and cash equivalents at end of the period** | **14,063,883,178.20** | 12,337,563,369.65 |

| *Legal Representative:* | *Person in Charge of Accounting Affairs:* | *Person in Charge of the Accounting Office:* |
|---|---|---|
| **Yao Zhiyong** | **Ge Xiaobo** | **Chen Zhiying** |

## Statement of Cash Flows of the Parent Company

January to September 2020

Prepared by: Guolian Securities Co., Ltd.

*Unit: Yuan    Currency: RMB    Audit type: Unaudited*

| Items | **First three quarters of 2020 (January to September)** | First three quarters of 2019 (January to September) |
|---|---|---|
| **1. Cash flows generated from operating activities:** | | |
| Cash received from interests, fees and commissions | **1,307,378,029.29** | 1,175,126,965.58 |
| Net increase in placements from banks and other financial institutions | **100,000,000.00** | – |
| Net increase in cash from repurchase business | **5,418,302,874.76** | 3,049,086,206.12 |
| Net cash received from agency sales of securities | **905,718,543.88** | 2,516,351,975.21 |
| Other cash received relating to operating activities | **898,084,971.82** | 52,786,054.56 |
| Sub-total of cash inflows from operating activities | **8,629,484,419.75** | 6,793,351,201.47 |
| Net increase in financial assets held for trading | **6,356,274,611.03** | 1,644,141,961.15 |
| Net increase in margin accounts receivable | **2,799,557,041.70** | 1,095,101,985.96 |
| Cash for payment of interests, fees and commissions | **338,107,121.18** | 152,388,865.65 |
| Cash paid to and on behalf of employees | **347,104,198.16** | 291,670,172.08 |
| Cash paid for all types of taxes | **124,576,941.91** | 164,718,797.38 |
| Other cash paid relating to operating activities | **826,033,868.09** | 151,510,212.89 |
| Sub-total of cash outflows from operating activities | **10,791,653,782.07** | 3,499,531,995.11 |
| Net cash flows generated from operating activities | **–2,162,169,362.32** | 3,293,819,206.36 |

| Items | **First three quarters of 2020 (January to September)** | First three quarters of 2019 (January to September) |
|---|---|---|
| **2. Cash flows generated from investing activities:** | | |
| Cash received from disposal of and returns on investments | **908,946,745.53** | 2,262,539,701.91 |
| Cash received from returns on investments | **17,831,515.65** | 18,385,816.23 |
| Net cash received from the disposal of fixed assets, intangible assets and other long-term assets | **4,694,156.63** | 396,226.96 |
| Sub-total of cash inflows from investing activities | **931,472,417.81** | 2,281,321,745.10 |
| Cash paid for investments | **2,565,653,723.94** | 2,425,140,767.88 |
| Cash paid for purchase of fixed assets, intangible assets and other long-term assets | **54,514,481.74** | 52,393,692.61 |
| Sub-total of cash outflows from investing activities | **2,620,168,205.68** | 2,477,534,460.49 |
| Net cash flows generated from investing activities | **–1,688,695,787.87** | –196,212,715.39 |
| **3. Cash flows generated from financing activities:** | | |
| Cash received from investment | **1,938,084,540.00** | – |
| Cash received from issuance of bonds | **11,960,748,000.00** | 1,660,000,000.00 |
| Sub-total of cash inflows from financing activities | **13,898,832,540.00** | 1,660,000,000.00 |
| Cash paid for repayment of debts | **7,564,108,000.00** | 1,950,000,000.00 |
| Cash paid for distribution of dividends or profits, or interest expenses | **278,836,902.78** | 355,851,251.66 |
| Other cash paid relating to financing activities | **40,034,795.83** | 41,206,532.54 |
| Sub-total of cash outflows from financing activities | **7,882,979,698.61** | 2,347,057,784.20 |
| Net cash flows from financing activities | **6,015,852,841.39** | –687,057,784.20 |
| **4. Effect of fluctuations in exchange rate on cash and cash equivalents** | **4,755,277.38** | 8,273,107.77 |
| **5. Net increase in cash and cash equivalents** | **2,169,742,968.58** | 2,418,821,814.54 |
| Add: Cash and cash equivalents at beginning of the period | **10,813,606,657.92** | 8,297,399,403.00 |
| **6. Cash and cash equivalents at end of the period** | **12,983,349,626.50** | 10,716,221,217.54 |

| *Legal Representative:* | *Person in Charge of Accounting Affairs:* | *Person in Charge of the Accounting Office:* |
|---|---|---|
| **Yao Zhiyong** | **Ge Xiaobo** | **Chen Zhiying** |

**4.2 Particulars in relation to adjustments made to the financial statements as at the beginning of the year of the initial adoption of new revenue standard and new lease standard since 2020**

☐ Applicable ✓ Not applicable

**4.3 Retrospective adjustment of the previous comparative data by initial adoption of new revenue standard and new lease standard since 2020**

☐ Applicable ✓ Not applicable

**4.4 Audit report**

☐ Applicable ✓ Not applicable

By order of the Board
**Guolian Securities Co., Ltd.**
*Chairman*
**Yao Zhiyong**

Wuxi, Jiangsu Province, the PRC
28 October 2020

*As of the date of this announcement, the executive director of the Company is Mr. Ge Xiaobo; the non-executive directors of the Company are Mr. Yao Zhiyong, Mr. Hua Weirong, Mr. Zhou Weiping, Mr. Liu Hailin and Mr. Zhang Weigang; and the independent non-executive directors of the Company are Mr. Lu Yuanzhu, Mr. Wu Xingyu and Mr. Chu, Howard Ho Hwa.*