國泰君安証券股份有限公司

GUOTAI JUNAN SECURITIES CO., LTD.

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

(Stock Code: 02611)

2020 THIRD QUARTERLY REPORT

This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Set out below is the 2020 third quarterly report of Guotai Junan Securities Co., Ltd. (the "**Company**") and its subsidiaries as of 30 September 2020. The financial report contained therein is prepared pursuant to the China Accounting Standards for Business Enterprises and has not been audited.

This report is prepared in both Chinese and English languages. In the event of any inconsistency between these two versions, the Chinese version shall prevail.

By order of the Board
Guotai Junan Securities Co., Ltd.
HE Qing
Chairman

Shanghai, the PRC
28 October 2020

As at the date of this announcement, the executive directors of the Company are Mr. HE Qing, Mr. WANG Song and Mr. YU Jian; the non-executive directors of the Company are Mr. LIU Xinyi, Ms. GUAN Wei, Mr. ZHOU Lei, Mr. ZHONG Maojun, Mr. WANG Wenjie, Mr. LIN Facheng, Mr. ZHOU Hao and Mr. AN Hongjun; and the independent non-executive directors of the Company are Mr. XIA Dawei, Mr. SHI Derong, Mr. CHEN Guogang, Mr. LING Tao, Mr. JIN Qingjun and Mr. LEE Conway Kong Wai.

I. Important Notice

1.1 The board of directors, supervisory committee and the directors, supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of the contents of this quarterly report which does not contain any false information, misleading statements or material omissions, and severally and jointly accept legal responsibility for the contents thereof.

1.2 All directors of the Company have attended the board meeting to consider the quarterly report.

1.3 Mr. HE Qing, the person in charge of the Company, and Mr. WANG Song, the person in charge of accounting affairs and the person in charge of the accounting department (head of the accounting department) of the Company, warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

1.4 The third quarterly report of the Company has not been audited.

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 last year	Increase/Decrease at the end of the reporting period as compared with the end of last year (%)
Total assets	693,301,694,950	559,314,278,319	23.96
Net assets attributable to equity holders of the Company	135,192,539,401	137,501,489,808	-1.68
	January to September 2020	**January to September 2019**	**Increase/Decrease as compared with the corresponding period of last year (%)**
Net cash flow generated from operating activities	-4,621,122,701	26,437,363,565	-117.48
	January to September 2020	**January to September 2019**	**Increase/Decrease as compared with the corresponding period of last year (%)**
Operating revenue	25,736,791,177	20,593,180,855	24.98
Net profit attributable to equity holders of the Company	8,952,127,669	6,546,185,803	36.75
Net profit attributable to equity holders of the Company after deducting non-recurring gains and losses	8,559,790,028	6,132,715,797	39.58
Weighted average return on net assets (%)	6.89	5.19	Increased by 1.70 percentage points
Basic earnings per share (RMB/share)	0.97	0.69	40.58
Diluted earnings per share (RMB/share)	0.95	0.69	37.68

Items and Amounts of Non-recurring Gains and Losses

√ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	July to September 2020	January to September 2020	Explanation
Profits and losses on disposal of non-current assets	-560,244	16,249,305	
Government grants recognized in current profit or loss, excluding those closely related to the Company's normal operations and granted on an ongoing basis under the State's policies according to certain quota of amount or volume	15,540,316	553,103,320	Mainly special financial support funds
Other non-operating income and expenditure besides the above items	-7,497,379	-31,253,731	
Effect of income tax	-2,137,606	-140,689,569	
Effect of non-controlling interest (net of tax)	977,394	-5,071,684	
Total	**6,322,481**	**392,337,641**	

2.2 The total number of shareholders, shareholdings of the Top 10 shareholders and the Top 10 shareholders not subject to selling restrictions as at the end of the reporting period

Unit: share(s)

Total number of shareholders (Note 1)						156,778
Shareholdings of the Top 10 Shareholders						
				Pledged or Frozen		
Name of shareholders (full name)	**Number of shares held at the end of the reporting period**	**Percentage (%)**	**Number of shares subject to selling restriction (Note 2)**	**Status of shares**	**Number**	**Nature of shareholders**
Shanghai State-owned Assets Operation Co., Ltd. (Note 3)	1,900,963,748	21.34	–	Nil	–	State-owned legal person
HKSCC Nominees Limited (Note 4)	1,391,750,920	15.62	–	Unknown		Overseas legal person
Shanghai International Group Co., Ltd. (Note 5)	682,215,791	7.66	–	Nil	–	State-owned legal person
Shenzhen Investment Holding Co., Ltd. (Note 6)	609,428,357	6.84	–	Nil	–	State-owned legal person
China Securities Finance Corporation Limited	260,547,316	2.92	–	Nil	–	Domestic non-state-owned legal person
Shanghai Municipal Investment (Group) Corporation	246,566,512	2.77	–	Nil	–	State-owned legal person
Shenzhen Energy Group Co., Ltd.	154,455,909	1.73	–	Nil	–	Domestic non-state-owned legal person
Hong Kong Securities Clearing Company Limited (Note 7)	134,888,063	1.51	–	Nil	–	Overseas legal person
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	90,057,532	1.01	–	Nil	–	Unknown
Designated securities repurchase account of Guotai Junan Securities Co., Ltd.	88,999,990	1.00	–	Nil	–	Others

Shareholdings of the Top 10 Shareholders Not Subject to Selling Restriction (Note 7)			
Name of shareholders	**Number of shares not subject to selling restriction**	**Class and number of shares**	
		Class	**Number**
Shanghai State-owned Assets Operation Co., Ltd.	1,900,963,748	RMB-denominated ordinary shares	1,900,963,748
HKSCC Nominees Limited	1,391,750,920	Overseas listed foreign shares	1,391,750,920
Shanghai International Group Co., Ltd.	682,215,791	RMB-denominated ordinary shares	682,215,791
Shenzhen Investment Holding Co., Ltd.	609,428,357	RMB-denominated ordinary shares	609,428,357
China Securities Finance Corporation Limited	260,547,316	RMB-denominated ordinary shares	260,547,316
Shanghai Municipal Investment (Group) Corporation	246,566,512	RMB-denominated ordinary shares	246,566,512
Shenzhen Energy Group Co., Ltd.	154,455,909	RMB-denominated ordinary shares	154,455,909
Hong Kong Securities Clearing Company Limited	134,888,063	RMB-denominated ordinary shares	134,888,063
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	90,057,532	RMB-denominated ordinary shares	90,057,532
Designated securities repurchase account of Guotai Junan Securities Co., Ltd.	88,999,990	RMB-denominated ordinary shares	88,999,990
Description of connected relationship or concerted action of the above shareholders	Shanghai State-owned Assets Operation Co., Ltd. is a wholly-owned subsidiary of Shanghai International Group Co., Ltd. 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 for H shares investors and Shanghai Connect investors, respectively. Save for the above, the Company is not aware of any other related relationship or arrangement acting in concert.		
Description of the shareholders of preferred shares with resumed voting rights and their shareholdings	Not applicable		

Note 1: The total number of shareholders of the Company included shareholders of ordinary A Shares and registered shareholders of H Shares. As at the end of the reporting period, there were 156,594 shareholders of A Shares and 184 registered shareholders of H Shares.

Note 2: The shares and the shareholders subject to selling restrictions as referred to herein were those as defined under the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

Note 3: The number of shares held by Shanghai State-owned Assets Operation Co., Ltd. as at the end of the reporting period merely represented the number of A Shares in the Company held by it. Another 152,000,000 H Shares of the Company were held by Shanghai State-owned Assets Operation Co., Ltd. through HKSCC Nominees Limited as the nominee.

Note 4: HKSCC Nominees Limited was a nominee holder of the shares owned by the non-registered holders of the H Shares of the Company.

Note 5: In the above table of top 10 shareholders, the number of shares held by Shanghai International Group Co., Ltd. as at the end of the reporting period merely represented the number of A Shares in the Company held by it. Another 64,104,600 H Shares of the Company were held by Shanghai International Group Co., Ltd. through HKSCC Nominees Limited as the nominee.

Note 6: In the above table of top 10 shareholders, the number of shares held by Shenzhen Investment Holdings Co., Ltd. as at the end of the reporting period merely represented the number of A Shares in the Company held by it. Another 103,373,800 H Shares of the Company were held by Shenzhen Investment Holdings Co., Ltd. through HKSCC Nominees Limited as the nominee.

Note 7: Hong Kong Securities Clearing Company Limited was the nominee of Shanghai Connect investors holding A Shares of the Company.

2.3 The total number of shareholders of preferred shares, shareholdings of the top 10 shareholders of preferred shares and the top 10 shareholders of preferred shares not subject to selling restrictions as at the end of the reporting period

□ Applicable √ Not applicable

2.4 Information of convertible bond holders during the reporting period

Number of convertible bond holders as at the end of the reporting period		4,971
Guarantors of convertible bonds of the Company		Not applicable
The information of Top 10 Convertible Bond Holders is set out below:		
Name of Convertible Corporate Bond Holder	**Amount of bonds held as at the end of the period (RMB)**	**Percentage of bonds held (%)**
Special accounts for bonds repurchase and pledge under the registration and settlement system (Industrial and Commercial Bank of China)	597,576,000	8.55
China Securities Finance Corporation Limited	321,498,000	4.60
Special accounts for bonds repurchase and pledge under the registration and settlement system (China Construction Bank)	283,426,000	4.05
Special accounts for bonds repurchase and pledge under the registration and settlement system (Bank of China)	263,833,000	3.77
Special accounts for bonds repurchase and pledge under the registration and settlement system (Everbright Securities Company Limited)	243,497,000	3.48
Special accounts for bonds repurchase and pledge under the registration and settlement system (Bank of Communications)	187,519,000	2.68
Special accounts for bonds repurchase and pledge under the registration and settlement system (China Merchants Bank Co., Ltd.)	166,112,000	2.38
Special accounts for bonds repurchase and pledge under the registration and settlement system (Agricultural Bank of China)	148,340,000	2.12
Special accounts for bonds repurchase and pledge under the registration and settlement system (China Everbright Bank)	125,069,000	1.79
China Construction Bank Corporation – Lombarda China Europe and New Zealand Blue Chips Flexible Allocation Hybrid Securities Investment Fund	114,323,000	1.64

III. Significant Events

3.1 Details of and reasons for material changes in the major accounting statement items and 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 last year	Increase/Decrease at the end of the reporting period as compared with the end of last year (%)	Reasons for changes
Clearing settlement funds	17,741,519,731	11,596,258,702	52.99	Increases in clearing settlement funds of customers
Margin accounts receivable	94,580,069,167	72,088,344,371	31.20	Increased size of margin financing and securities lending business
Derivative financial assets	2,543,926,452	550,081,484	362.46	Mainly due to changes in fair value of derivative financial instruments
Refundable deposits	26,191,205,808	12,975,377,462	101.85	Increase in refundable deposits with changes in market conditions
Accounts receivable	32,880,079,833	5,689,249,507	477.93	Mainly due to increased size of short-term loan business of subsidiaries in Hong Kong
Long-term equity investments	3,865,585,163	2,458,562,530	57.23	Increase in the scale of investment projects
Short-term borrowings	31,537,202,025	10,311,102,361	205.86	Increase in size of short-term borrowings according to operating needs of the Company
Short-term debt instruments	42,535,907,393	17,424,352,341	144.12	Increase in the size of issuance of short-term financing bills and structured notes according to operating needs of the Company
Derivative financial liabilities	5,086,210,973	1,358,809,303	274.31	Mainly due to changes in fair value of derivative financial instruments
Accounts payable	67,716,518,341	37,033,564,943	82.85	Mainly due to increase in deposits payable by Guotai Junan Futures

Income statement and cash flow statement items	January to September 2020	January to September 2019	Increase/ Decrease for the reporting period as compared with the corresponding period of last year(%)	Reasons for changes
Net fee and commission income	10,409,136,971	7,589,504,646	37.15	Growth in fee income from brokerage and investment banking businesses
Net fee income from brokerage business	6,496,117,539	4,492,018,602	44.61	Mainly due to year-on-year increase in market trading volume
Net fee income from investment banking business	2,541,885,793	1,690,364,080	50.38	Mainly due to the increase in income from underwriting of securities
Gains from changes in fair value	1,025,953,625	737,782,797	39.06	Changes in fair value of the relevant financial assets due to volatility in the securities market
Other operating revenue	3,692,826,977	2,722,374,083	35.65	Increase in commodity trading volume
Credit loss expense	330,815,734	784,084,367	-57.81	Mainly due to year-on-year decrease in impairment provision for margin accounts receivable and stock-pledging financing business
Other operating costs	3,691,849,409	2,600,607,054	41.96	Increase in commodity trading volume
Net cash flow generated from operating activities	-4,621,122,701	26,437,363,565	-117.48	Mainly due to decrease in net increase in repurchase business funds and increase in the size of short-term loan and margin accounts receivable
Net cash flow generated from investing activities	-10,234,202,708	-20,796,181,094	Not applicable	Mainly due to increase in cash recovered from investments
Net cash flow generated from financing activities	47,924,622,535	17,431,816,877	174.93	Mainly due to increase in the size of various bonds issued during the current period

3.2 The progress of significant events and the analysis and explanation on their impacts and solutions

√ Applicable ☐ Not applicable

1. Matters related to the proposed solution for the issue of same-industry competition with Shanghai Securities

In order to solve the same-industry competition issue between the Company and Shanghai Securities, in August 2019, at the 16th extraordinary meeting of the fifth session of the Board of the Company, the Proposal on Adopting the Resolution on the Issue of Same Industry Competition through the Targeted Capital Increase of Shanghai Securities Co., Ltd. (《關於提請審議採取上海證券有限責任公司定向增資方式解決同業競爭問題的議案》) was considered and approved, pursuant to which it was agreed that the issue of same-industry competition shall be solved by targeted capital increase of Shanghai Securities.

In January 2020, the Company convened the 21st extraordinary meeting of the fifth session of the Board at which the Proposal on Consideration and Approval of the Specific Plan for Targeted Capital Increase of Shanghai Securities Co., Ltd. (《關於提請審議上海證券有限責任公司定向增資具體方案的議案》) was considered and approved, pursuant to which, Bailian Group Co., Ltd. and Shanghai Municipal Investment (Group) Corporation agreed to subscribe for the newly issued capital of Shanghai Securities by way of non-public capital increase, while the existing three shareholders of Shanghai Securities, including the Company, waived their first refusal right to subscribe for the newly issued capital. Upon completion of the capital increase, the shareholding of Bailian Group Co., Ltd. in Shanghai Securities will be 50.00%, and it will become the controlling shareholder of Shanghai Securities, while the Company's shareholding in Shanghai Securities will be reduced from 51% before the capital increase to 24.99%. As such, there will be no same-industry competition between the Company and Shanghai Securities. In January 2020, the above matter was approved by Shanghai State-owned Assets Supervision and Administration Commission. As at the disclosure date of the this report, this transaction is still pending for approval by China Securities Regulatory Commission. (For details, please refer to the Company's announcements No. 2019-068, 2019-077 and 2020-005)

2. Increase in the H Shares held by International Group

On 9 January 2020, International Group purchased 80,000 H Shares through the Southbound trading system and proposed its subsequent shareholding increase plan. International Group intended to increase its holdings of H shares in the Company within 12 months from the date of this shareholding increase in due course, provided that the cumulatively increased shareholding shall not exceed 2% of the total issued share capital of the Company, and the public float of the Company shall remain at or above the level of public float approved by the Hong Kong Stock Exchange at the listing of H shares. For the period from the first shareholding increase to 30 September 2020, International Group increased its holding of additional 64,104,600 H shares in aggregate.

3. **Restricted Share Incentive Scheme of A Shares**

On 7 June 2020, the relevant proposal on the Restricted Share Incentive Scheme of A Shares (hereinafter referred to as the "Incentive Scheme") was considered and approved at the 22nd extraordinary meeting of the fifth session of the Board and the fourth extraordinary meeting of the fifth session of the Supervisory Committee of the Company, pursuant to which the Incentive Scheme was approved. On 29 June 2020, the Incentive Scheme was in principle approved by the Shanghai Municipal State-owned Assets Supervision and Administration Commission. On 6 August 2020, the sixth extraordinary meeting of the fifth session of Supervisory Committee of the Company approved the proposal of the publicity and the verification opinion of the list of Incentive Participants of the restricted share incentive scheme of A shares. On 12 August 2020, the relevant proposal on the Incentive Scheme was considered and approved at the 2020 first extraordinary general meeting of the Company.

On 17 September 2020, the adjustment in the Incentive Scheme was considered and approved at the 23rd extraordinary meeting of the fifth session of the Board and the seventh extraordinary meeting of the fifth session of the Supervisory Committee of the Company, and it was determined that 79,300,000 Restricted A Shares would be first granted to 440 Incentive Participants on 17 September 2020 as the First Grant date, at a price of RMB7.64 per share, with reserved restricted shares of 9,699,990 shares. For details, please refer to the announcements published by the Company on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and the HKEXnews (www.hkexnews.hk).

3.3 Undertakings not yet performed by the Company within the time limit during the reporting period

☐ Applicable √ Not applicable

3.4 Warning and explanation of reasons for forecast of possible loss in respect of the accumulated net profits from the beginning of the year to the end of the next reporting period, or any significant changes as compared to the corresponding period of last year

☐ Applicable √ Not applicable

Company name	Guotai Junan Securities Co., Ltd.
Person in charge of the Company	HE Qing
Date	28 October 2020

IV. Appendix

4.1 Financial Statements

Consolidated Balance Sheet
30 September 2020

Prepared by: Guotai Junan Securities Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	30 September 2020	31 December 2019
Assets:		
Cash and bank balances	150,580,317,918	120,650,544,673
Including: cash held on behalf of customers	122,658,212,294	95,397,716,130
Clearing settlement funds	17,741,519,731	11,596,258,702
Including: settlement funds held on behalf of customers	13,488,926,331	7,136,107,134
Margin accounts receivable	94,580,069,167	72,088,344,371
Derivative financial assets	2,543,926,452	550,081,484
Refundable deposits	26,191,205,808	12,975,377,462
Accounts receivable	32,880,079,833	5,689,249,507
Financial assets held under resale agreements	56,764,534,784	53,939,996,986
Financial investments:		
Financial assets held for trading	216,898,047,777	189,022,191,796
Other debt investments	61,090,999,651	60,266,827,628
Other equity instrument investments	17,521,910,173	17,547,075,504
Long-term equity investment	3,865,585,163	2,458,562,530
Fixed assets	4,424,310,670	3,499,216,547
Construction in progress	234,793,897	1,255,494,531
Right-of-use assets	1,895,514,423	2,159,807,379
Intangible assets	2,404,029,755	2,340,484,819
Goodwill	599,812,570	599,812,570
Deferred tax assets	1,506,802,040	1,251,032,372
Other assets	1,578,235,138	1,423,919,458
Total assets	**693,301,694,950**	**559,314,278,319**

Items	30 September 2020	31 December 2019
Liabilities:		
Short-term borrowings	31,537,202,025	10,311,102,361
Short-term debt instruments	42,535,907,393	17,424,352,341
Placements from other financial institutions	8,811,762,135	9,488,642,356
Financial liabilities held for trading	49,525,847,249	44,286,692,258
Derivative financial liabilities	5,086,210,973	1,358,809,303
Financial assets sold under repurchase agreements	137,164,292,219	126,017,296,061
Accounts payable to brokerage customers	105,932,980,619	82,886,259,008
Proceeds from underwriting securities received on behalf of customers	74,146,883	499,566,172
Employee benefits payable	6,575,939,233	5,685,105,216
Tax payable	2,121,702,804	2,274,216,890
Accounts payable	67,716,518,341	37,033,564,943
Provisions	118,934,840	82,113,719
Long-term borrowings	1,933,446,575	1,491,621,873
Bonds payable	86,000,593,515	69,573,553,145
Lease liabilities	2,099,233,302	2,363,836,461
Deferred tax liabilities	163,700,192	13,762,239
Other liabilities	1,709,638,651	2,429,961,358
Total liabilities	**549,108,056,949**	**413,220,455,704**
Equity:		
Share capital	8,908,447,792	8,907,948,159
Other equity instruments	11,128,265,782	16,129,798,976
Including: perpetual bonds	10,000,000,000	15,000,000,000
Capital reserve	45,463,687,912	46,208,639,931
Less: treasury shares	776,909,446	–
Other comprehensive income	-500,744,476	249,467,582
Surplus reserve	7,172,530,796	7,172,530,796
General risk reserve	17,534,765,124	17,497,137,148
Retained profits	46,262,495,917	41,335,967,216
Total equity attributable to equity holders of the Company	135,192,539,401	137,501,489,808
Non-controlling interests	9,001,098,600	8,592,332,807
Total equity	**144,193,638,001**	**146,093,822,615**
Total liabilities and equity	**693,301,694,950**	**559,314,278,319**

Person in charge of the Company: HE Qing

Person in charge of accounting affairs: WANG Song

Person in charge of accounting department: WANG Song

Balance Sheet of the Parent Company

30 September 2020

Prepared by: Guotai Junan Securities Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	30 September 2020	31 December 2019
Assets:		
Cash and bank balances	88,881,921,896	71,815,790,107
Including: cash held on behalf of customers	69,790,470,384	58,996,688,775
Clearing settlement funds	15,724,682,806	9,065,680,942
Including: settlement funds held on behalf of customers	11,601,759,180	5,271,648,624
Margin accounts receivable	75,439,911,587	57,625,930,121
Derivative financial assets	1,525,802,428	273,481,567
Refundable deposits	6,721,450,560	3,130,509,626
Accounts receivable	3,364,999,351	3,363,892,754
Financial assets held under resale agreements	48,051,556,621	48,747,057,081
Financial investments:		
Financial assets held for trading	127,125,451,773	109,775,686,759
Other debt investments	50,530,662,461	53,752,507,174
Other equity instrument investments	16,410,718,838	16,354,565,660
Long-term equity investment	21,399,535,800	21,340,104,296
Fixed assets	1,283,301,639	1,277,434,751
Construction in progress	104,621,188	164,122,622
Right-of-use assets	1,461,627,667	1,661,268,345
Intangible assets	512,077,217	445,569,740
Deferred tax assets	1,011,003,352	835,003,807
Other assets	2,345,399,067	1,993,634,907
Total assets	**461,894,724,251**	**401,622,240,259**
Liabilities:		
Short-term debt instruments	25,123,554,647	12,159,112,239
Placements from other financial institutions	8,811,762,135	9,488,642,356
Financial liabilities held for trading	12,143,716,982	11,001,723,132
Derivative financial liabilities	3,736,825,890	998,926,762
Financial assets sold under repurchase agreements	106,849,875,147	99,816,785,951
Accounts payable to brokerage customers	78,605,231,205	63,172,724,598
Employee benefits payable	5,254,981,719	4,602,487,145
Tax payable	1,705,362,337	1,450,840,146
Accounts payable	15,263,762,038	8,521,371,799

Items	30 September 2020	31 December 2019
Provisions	82,113,719	82,113,719
Bonds payable	79,998,912,596	61,563,496,370
Lease liabilities	1,590,000,113	1,775,767,766
Other liabilities	348,692,915	643,932,352
Total liabilities	**339,514,791,443**	**275,277,924,335**
Equity:		
Share capital	8,908,447,792	8,907,948,159
Other equity instruments	11,128,265,782	16,129,798,976
Including: perpetual bonds	10,000,000,000	15,000,000,000
Capital reserve	44,069,495,129	44,813,293,563
Less: treasury shares	776,909,446	–
Other comprehensive income	532,008,657	792,700,109
Surplus reserve	7,172,530,796	7,172,530,796
General risk reserve	15,794,956,333	15,794,956,333
Retained profits	35,551,137,765	32,733,087,988
Total equity	**122,379,932,808**	**126,344,315,924**
Total liabilities and equity	**461,894,724,251**	**401,622,240,259**

Person in charge of the Company: HE Qing

Person in charge of accounting affairs: WANG Song

Person in charge of accounting department: WANG Song

Consolidated Income Statement

January – September 2020

Prepared by: Guotai Junan Securities Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	The third quarter of 2020 (July to September)	The third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
1. Total operating revenue	**9,924,901,512**	**6,498,209,014**	**25,736,791,177**	**20,593,180,855**
Net fee and commission income	4,723,379,512	2,365,194,312	10,409,136,971	7,589,504,646
Including: Net fee income from brokerage business	2,844,859,991	1,341,741,467	6,496,117,539	4,492,018,602
Net fee income from investment banking business	1,370,402,327	626,104,378	2,541,885,793	1,690,364,080
Net fee income from asset management business	457,180,527	350,808,316	1,180,941,043	1,221,204,948
Net interest income	1,662,897,996	1,483,053,957	4,516,788,842	4,027,987,791
Including: Interest income	3,906,754,624	3,489,622,782	10,669,749,975	9,417,949,677
Interest expenses	2,243,856,628	2,006,568,825	6,152,961,133	5,389,961,886
Investment gains	2,129,249,006	1,128,102,232	5,451,873,756	4,904,012,377
Including: Gains from investment in associates and joint ventures	41,959,895	34,159,033	70,942,320	176,856,117
Other gains	11,718,068	18,371,998	582,750,052	566,784,894
Gains from changes in fair value (losses presented by "-")	254,393,271	-101,150,173	1,025,953,625	737,782,797
Foreign exchange gains	48,181,988	8,677,577	40,683,928	44,173,003
Other operating income	1,095,196,087	1,595,954,767	3,692,826,977	2,722,374,083
Gains on disposal of assets (losses presented by "-")	-114,416	4,344	16,777,026	561,264
2. Total operating expenses	**5,147,442,909**	**4,474,844,712**	**13,547,506,952**	**11,680,694,565**
Tax and surcharges	46,128,154	31,628,619	121,857,645	97,384,766
General and administrative expenses	3,811,697,997	2,610,670,024	9,392,065,179	8,197,137,300
Credit loss expense	213,177,412	289,596,522	330,815,734	784,084,367
Other asset impairment loss	7,099,306	1,461,451	10,918,985	1,481,078
Other operating expenses	1,069,340,040	1,541,488,096	3,691,849,409	2,600,607,054
3. Operating profit	**4,777,458,603**	**2,023,364,302**	**12,189,284,225**	**8,912,486,290**
Add: Non-operating revenue	2,934,036	19,046,586	6,146,853	26,941,084
Less: Non-operating expenses	7,054,995	-587,341	67,575,037	29,592,074
4. Total profit	**4,773,337,644**	**2,042,998,229**	**12,127,856,041**	**8,909,835,300**
Less: Income tax expense	1,035,121,557	449,734,379	2,657,371,541	1,979,430,177
5. Net profit	**3,738,216,087**	**1,593,263,850**	**9,470,484,500**	**6,930,405,123**
(1) Classified by operation continuity				
1. Net profit from continuing operations	3,738,216,087	1,593,263,850	9,470,484,500	6,930,405,123

Items	The third quarter of 2020 (July to September)	The third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
(2) Classified by ownership				
1. Net profit attributable to equity holders of the Company	3,498,415,134	1,526,070,837	8,952,127,669	6,546,185,803
2. Profit or loss attributable to non-controlling interests	239,800,953	67,193,013	518,356,831	384,219,320
6. Other comprehensive income (net of tax)	**-378,760,369**	**17,318,579**	**-1,052,729,964**	**843,262,640**
Other comprehensive income attributable to equity holders of the Company (net of tax)	-169,276,501	-68,585,448	-855,068,854	756,781,813
(1) Other comprehensive income that may not be reclassified into profit or loss	458,812,298	-333,146,089	-297,309,812	598,187,276
1. Other comprehensive income that may not be transferred to profit or loss under equity method	75,824,200	-29,650,349	-15,136,176	53,506,867
2. Changes in fair value of other equity instrument investments	382,988,098	-303,495,740	-282,173,636	544,680,409
(2) Other comprehensive income that will be reclassified into profit or loss	-628,088,799	264,560,641	-557,759,042	158,594,537
1. Other comprehensive income that may be transferred to profit or loss under equity method	–	10,529,108	–	–
2. Changes in fair value of other debt investments	-253,985,493	41,630,192	-330,480,326	-109,277,831
3. Credit loss expenses for other debt investments	-27,646,713	4,911,083	-28,674,293	32,390,236
4. Exchange differences on translation of financial statements in foreign currencies	-346,456,593	207,490,258	-198,604,423	235,482,132
Other comprehensive income attributable to non-controlling interests (net of tax)	-209,483,868	85,904,027	-197,661,110	86,480,827
7. Total comprehensive income	**3,359,455,718**	**1,610,582,429**	**8,417,754,536**	**7,773,667,763**
Total comprehensive income attributable to equity holders of the Company	3,329,138,633	1,457,485,389	8,097,058,815	7,302,967,616
Total comprehensive income attributable to non-controlling interests	30,317,085	153,097,040	320,695,721	470,700,147
8. Earnings per share:				
(1) Basic earnings per share (RMB/share)	0.39	0.15	0.97	0.69
(2) Diluted earnings per share (RMB/share)	0.37	0.15	0.95	0.69

Person in charge of the Company: HE Qing

Person in charge of accounting affairs: WANG Song

Person in charge of accounting department: WANG Song

Income Statement of the Parent Company

January – September 2020

Prepared by: Guotai Junan Securities Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	The third quarter of 2020 (July to September)	The third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
1. Total operating revenue	**6,267,978,859**	**5,198,878,269**	**15,750,508,873**	**14,884,213,612**
Net fee and commission income	3,750,445,651	1,783,063,717	8,110,979,513	5,472,313,625
Including: Net fee income from brokerage business	2,485,542,301	1,209,221,901	5,762,709,576	4,096,902,716
Net fee income from investment banking business	1,224,263,906	503,996,563	2,155,710,130	1,190,200,837
Net interest income	1,084,251,400	1,056,189,842	3,408,930,295	3,154,626,741
Including: Interest income	2,847,609,755	2,613,504,453	8,184,836,024	7,287,736,944
Interest expenses	1,763,358,355	1,557,314,611	4,775,905,729	4,133,110,203
Investment gains	1,137,423,760	2,447,608,822	3,423,439,104	5,689,281,093
Including: Gains from investment in associates and joint ventures	40,851,407	22,561,125	95,651,091	64,561,125
Gains from changes in fair value (losses presented by "-")	250,735,127	-88,475,642	420,021,777	66,880,828
Other gains	13,105,974	430,479	392,155,024	428,907,712
Foreign exchange gains (losses presented by "-")	29,184,343	-2,399,732	-13,853,128	63,289,419
Other operating income	2,947,020	2,460,783	8,836,288	8,779,488
Gains on disposal of assets (losses presented by "-")	-114,416	–	–	134,706
2. Total operating expenses	**2,872,648,154**	**2,146,925,117**	**6,939,501,568**	**6,138,313,093**
Tax and surcharges	41,446,029	26,114,411	98,279,717	76,777,590
General and administrative expenses	2,655,608,394	1,893,449,521	6,622,429,261	5,820,472,386
Credit loss expense	175,593,731	227,361,185	218,792,590	241,063,117
3. Operating profit	**3,395,330,705**	**3,051,953,152**	**8,811,007,305**	**8,745,900,519**
Add: Non-operating revenue	2,340,674	1,199,980	2,932,786	4,104,561
Less: Non-operating expenses	3,201,670	2,745,632	39,093,766	30,934,979
4. Total profit	**3,394,469,709**	**3,050,407,500**	**8,774,846,325**	**8,719,070,101**
Less: Income tax expense	771,201,329	314,856,675	1,975,339,812	1,576,378,485
5. Net profit	**2,623,268,380**	**2,735,550,825**	**6,799,506,513**	**7,142,691,616**
(1) Net profit from continuing operations	2,623,268,380	2,735,550,825	6,799,506,513	7,142,691,616

Items	The third quarter of 2020 (July to September)	The third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
6. Other comprehensive income (net of tax)	**164,728,063**	**-242,102,673**	**-365,548,246**	**474,493,384**
(1) Other comprehensive income that may not be reclassified into profit or loss	390,689,977	-300,734,395	-47,214,099	529,841,684
1. Changes in fair value of other equity instrument investments	390,689,977	-300,734,395	-47,214,099	529,841,684
(2) Other comprehensive income that will be reclassified into profit or loss	-225,961,914	58,631,722	-318,334,147	-55,348,300
1. Other comprehensive income that may be transferred to profit or loss under equity method	–	10,529,108	–	–
2. Changes in fair value of other debt investments	-204,592,751	45,910,474	-277,059,319	-84,824,009
3. Credit loss expenses for other debt investments	-21,369,163	2,192,140	-41,274,828	29,475,709
7. Total comprehensive income	**2,787,996,443**	**2,493,448,152**	**6,433,958,267**	**7,617,185,000**

Person in charge of the Company: HE Qing

Person in charge of accounting affairs: WANG Song

Person in charge of accounting department: WANG Song

Consolidated Cash Flow Statement
January – September 2020

Prepared by: Guotai Junan 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 from operating activities:		
Net increase in financial liabilities held for trading	4,179,655,651	9,263,364,191
Cash received from interest, fees and commissions	23,720,286,564	19,042,922,376
Net increase in repurchase businesses	9,572,321,374	44,769,475,683
Net cash received from accounts payable to brokerage customers	23,046,721,611	17,614,835,087
Cash received from other operating activities	14,324,351,667	12,240,681,849
Sub-total of cash inflows from operating activities	74,843,336,867	102,931,279,186
Net increase in financial assets held for trading	22,104,361,239	34,139,094,370
Net decrease in placements from other financial institutions	676,880,221	3,608,973,224
Net increase in margin accounts receivables	22,634,340,781	14,360,249,124
Cash payment of interest, fees and commissions	5,154,339,706	3,723,032,980
Cash paid to and for employees	5,863,675,641	5,438,384,782
Cash paid for various taxes	4,065,384,601	3,657,504,800
Cash paid for other operating activities	18,965,477,379	11,566,676,341
Sub-total of cash outflows from operating activities	79,464,459,568	76,493,915,621
Net cash flow from operating activities	-4,621,122,701	26,437,363,565
2. Cash flows from investing activities:		
Cash received from disposal of investment	58,482,199,048	43,621,445,108
Cash received from return on investments	2,677,101,605	2,681,363,311
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,281,192	4,863,157
Net cash received on disposal of subsidiaries and other business units	464,145,332	85,512,178
Sub-total of cash inflows from investing activities	61,627,727,177	46,393,183,754
Cash paid for investments	71,469,656,909	65,833,032,479
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	392,272,976	1,120,681,926
Net cash paid for acquisition of subsidiaries and other business units	–	235,650,443
Sub-total of cash outflows from investing activities	71,861,929,885	67,189,364,848
Net cash flow from investing activities	-10,234,202,708	-20,796,181,094

Items	First Three Quarters of 2020 (January to September)	First Three Quarters of 2019 (January to September)
3. Cash flows from financing activities:		
Cash received from investments	5,000,000,000	7,711,818,752
Including: Cash received from issuing perpetual bonds	5,000,000,000	5,000,000,000
Cash received from placing and issuing H shares	–	2,711,818,752
Cash received from borrowings	30,349,159,202	18,499,234,819
Cash received from issuing bonds	100,507,088,314	49,909,562,680
Cash received from other financing activities	603,560,000	–
Sub-total of cash inflows from financing activities	136,459,807,516	76,120,616,251
Cash paid for repayment of debt	67,638,113,900	52,058,002,319
Cash paid for redemption of perpetual bonds	10,000,000,000	–
Acquisition of treasury shares	1,543,209,446	–
Cash paid for distribution of dividends, profit or payment of interests	8,816,973,000	6,116,400,577
Including: Dividend and profit paid by subsidiaries to minority shareholders	45,932,464	47,819,763
Cash paid for other financing activities	536,888,635	514,396,478
Sub-total of cash outflows from financing activities	88,535,184,981	58,688,799,374
Net cash flow from financing activities	47,924,622,535	17,431,816,877
4. Effect on cash and cash equivalents from exchange rate movements	**-418,299,168**	**601,622,399**
5. Net increase in cash and cash equivalents	**32,650,997,958**	**23,674,621,747**
Add: Balance of cash and cash equivalents at the beginning of the period	131,964,882,594	106,020,634,485
6. Balance of cash and cash equivalents at the end of the reporting period	**164,615,880,552**	**129,695,256,232**

Person in charge of the Company: HE Qing

Person in charge of accounting affairs: WANG Song

Person in charge of accounting department: WANG Song

Cash Flow Statement of the Parent Company
January – September 2020

Prepared by: Guotai Junan 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 from operating activities:		
Net increase in financial liabilities held for trading	1,022,364,785	3,818,555,507
Cash received from interest, fees and commissions	18,994,063,891	14,651,876,976
Net increase in repurchase businesses	9,525,360,623	40,302,544,315
Net cash received from accounts payable to brokerage customers	15,385,514,695	17,578,690,062
Cash received from other operating activities	4,853,599,881	3,035,241,868
Sub-total of cash inflows from operating activities	49,780,903,875	79,386,908,728
Net increase in financial assets held for trading	12,914,862,176	23,466,094,298
Net decrease in placements from other financial institutions	695,635,500	3,552,271,000
Net increase in margin accounts receivables	17,789,669,655	11,330,885,885
Cash payment of interest, fees and commissions	3,947,480,436	3,004,094,069
Cash paid to and for employees	4,179,412,970	3,974,107,923
Cash paid for various taxes	2,380,408,932	2,509,669,546
Cash paid for other operating activities	2,874,518,006	5,825,018,311
Sub-total of cash outflows from operating activities	44,781,987,675	53,662,141,032
Net cash flow from operating activities	4,998,916,200	25,724,767,696
2. Cash flows from investing activities:		
Cash received from disposal of investment	39,692,504,747	23,922,015,547
Cash received from return on investments	1,905,307,912	4,138,901,203
Net cash received on disposal of subsidiaries and other business units	134,145,332	57,510,000
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,567,660	2,146,531
Sub-total of cash inflows from investing activities	41,735,525,651	28,120,573,281
Cash paid for investments	38,669,483,834	45,023,440,825
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	299,613,343	491,949,208
Sub-total of cash outflows from investing activities	38,969,097,177	45,515,390,033
Net cash flow from investing activities	2,766,428,474	-17,394,816,752

Items	First Three Quarters of 2020 (January to September)	First Three Quarters of 2019 (January to September)
3. Cash flows from financing activities:		
Cash received from investments	5,000,000,000	7,711,818,752
Including: Cash received from issuing perpetual bonds	5,000,000,000	5,000,000,000
Cash received from placing and issuing H shares	–	2,711,818,752
Cash received from issuing bonds	81,558,513,000	41,450,777,000
Cash received from other financing activities	603,560,000	–
Sub-total of cash inflows from financing activities	87,162,073,000	49,162,595,752
Cash paid for repayment of debt	50,194,970,195	29,659,983,401
Cash paid for redemption of perpetual bonds	10,000,000,000	–
Acquisition of treasury shares	1,543,209,446	–
Cash paid for distribution of dividends, profit or payment of interests	6,541,317,842	4,874,328,195
Cash paid for other financing activities	434,365,562	427,199,977
Sub-total of cash outflows from financing activities	68,713,863,045	34,961,511,573
Net cash flow from financing activities	18,448,209,955	14,201,084,179
4. Effect on cash and cash equivalents from exchange rate movements	**-37,328,969**	**122,286,642**
5. Net increase in cash and cash equivalents	**26,176,225,660**	**22,653,321,765**
Add: Balance of cash and cash equivalents at the beginning of the period	97,332,334,190	74,568,682,698
6. Balance of cash and cash equivalents at the end of the reporting period	**123,508,559,850**	**97,222,004,463**

Person in charge of the Company: HE Qing

Person in charge of accounting affairs: WANG Song

Person in charge of accounting department: WANG Song

4.2 Adjustments made to relevant items of the financial statements at the beginning of the current year under the new standards for income and new standards for leasing adopted for the first time starting from 2020

☐ Applicable √ Not applicable

4.3 Explanation for retrospective adjustments to comparative data in the previous period under the new standards for income and new standards for leasing adopted for the first time starting from 2020

☐ Applicable √ Not applicable

4.4 Audit Report

☐ Applicable √ Not applicable