中州证券

Central China Securities Co., Ltd.

(a joint stock company incorporated in 2002 in Henan Province, the People's Republic of China with limited liability under the Chinese corporate name "中原证券股份有限公司" and carrying on business in Hong Kong as "中州证券")

(Stock Code: 01375)

2020 THIRD QUARTERLY REPORT

The Board of the Company is pleased to announce the unaudited financial information of the Company and its subsidiaries for the third quarter ended 30 September 2020, prepared in accordance with China Accounting Standards for Business Enterprises. This announcement is made pursuant to the Inside Information Provisions (as defined under 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.

This announcement contains the Chinese original version and the English translation of the "Central China Securities Co., Ltd. Third Quarterly Report of 2020" as published on the website of the Shanghai Stock Exchange, and is provided for your reference only. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

"Board"	the board of Directors of the Company
"Company", "Central China Securities"	Central China Securities Co., Ltd. (中原证券股份有限公司)
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of the Company
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Period", "Reporting Period"	1 July 2020 to 30 September 2020
"previous period", "reporting period in the previous year"	1 July 2019 to 30 September 2019
"RMB"	the lawful currency of the PRC, Renminbi, the basic unit of which is "yuan"
"PRC" or "State" or "China"	the People's Republic of China
"Supervisor(s)"	members of the Supervisory Committee of the Company
"Supervisory Committee"	the supervisory committee of the Company
"%"	per cent.

By order of the Board of
Central China Securities Co., Ltd.
JIAN Mingjun
Chairman

Henan, the PRC
30 October 2020

As at the date of this announcement, the Board comprises executive Directors Mr. JIAN Mingjun and Mr. CHANG Junsheng, non-executive Directors Mr. LI Xingjia, Mr. WANG Lixin, Mr. TIAN Shengchun, Mr. ZHANG Xiaoqi and Mr. LU Benson Cheng, and independent non-executive Directors Mr. YUEN Chi Wai, Mr. NING Jincheng, Mr. YU Xugang and Ms. ZHANG Dongming.

* *For identification purpose only*

Stock Code: 601375 Company Abbreviation: Central China Securities

CENTRAL CHINA SECURITIES CO., LTD.

2020 THIRD QUARTERLY REPORT

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I. IMPORTANT NOTICE

1.1 The Board and the Supervisory Committee, together with the Directors, Supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of the information contained in the third quarterly report and that there is no false representation, misleading statement contained herein or material omission from the third quarterly report, and for which they will assume joint and several liabilities.

1.2 All Directors of the Company attended the meeting of the Board to consider the third quarterly report.

1.3 Mr. Jian Mingjun, the head of the Company, Mr. Chang Junsheng, the person in charge of accounting affairs, Mr. Li Zhaoxin, the chief accountant, and Mr. Guo Liangyong, head of the accounting department (head of financial division), warrant that the financial statements set out in the third quarterly report are true, accurate and complete.

1.4 The 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	Changes as at the end of the Reporting Period as compared to the end of the previous year (%)
Total assets	**48,268,982,216.82**	43,569,902,415.77	10.79
Net assets attributable to shareholders of the listed company	**13,386,215,668.50**	9,671,208,012.75	38.41

	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 in the previous year (January to September)	Changes as compared to the corresponding period of the previous year (%)
Net cash flows from operating activities	**1,248,671,779.24**	2,479,749,202.70	-49.65
Operating revenue	**2,208,417,017.57**	1,985,263,415.00	11.24
Net profit attributable to shareholders of the listed company	**86,751,830.24**	290,438,427.38	-70.13
Net profit attributable to shareholders of the listed company net of non-recurring gains or losses	**82,046,020.17**	266,239,049.58	-69.18
Weighted average return on net assets (%)	**0.82**	2.91	Decrease by 2.09 percentage points
Basic earnings per share (RMB/share)	**0.02**	0.08	-75.00
Diluted earnings per share (RMB/share)	**0.02**	0.08	-75.00

Non-recurring gains or losses items and amounts

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Items	Amount for the Period (July to September)	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Description
Gains or losses from disposal of non-current assets	**-65,510.10**	-84,553.89	
Government grants recognised in profit or loss of the current period, excluding those closely related to the normal operations of the Company and granted on an ongoing basis in fixed amount or fixed quota in accordance with government policies and regulations	**3,290,382.36**	12,193,107.99	Mainly attributable to government grants
Other non-operating income and expenses apart from the aforesaid items	**-680,148.39**	-7,020,358.80	
Effect of minority interests (after tax)	**-12,676.40**	708,435.80	
Effect of income tax	**-485,411.65**	-1,090,821.03	
Total	**2,046,635.82**	4,705,810.07	

2.2 Total number of shareholders and shareholdings of the top 10 shareholders and top 10 holders of tradable shares (or shareholders not subject to trading moratorium) as at the end of the Reporting Period

Unit: Share

Total number of shareholders	112,653 Of which: 112,613 for A shares; 40 registered shareholders for H shares

Shareholdings of the top ten shareholders

Name of shareholders (in full name)	Number of shares held at the end of the Reporting Period	Percentage (%)	Number of shares held subject to trading moratorium	Pledged or frozen shares: Status of shares	Pledged or frozen shares: Number of shares	Type of shareholders
HKSCC Nominees Limited	1,195,160,850	25.74		Nil		Foreign legal person
Henan Investment Group Co., Ltd.* (河南投資集團有限公司)	822,983,847	17.73		Nil		State-owned legal person
Bohai Industrial Investment Fund Management Co., Ltd. – First tranche of Bohai Industrial Investment Fund * (渤海產業投資基金管理有限公司 — 渤海產業投資基金一期)	492,318,967	10.60		Nil		Others
Anyang Iron & Steel Group Co., Ltd.* (安陽鋼鐵集團有限責任公司)	177,514,015	3.82		Nil		State-owned legal person
Shanghai Gaoyi Asset Management Partnership (Limited Partnership) – Gaoyi Linshan No.1 Yuanwang Fund* (上海高毅資產管理合夥企業(有限合夥) — 高毅鄰山1號遠望基金)	116,595,322	2.51	116,595,322	Nil		Others
China Pingmei Shenma Energy & Chemical Group Co., Ltd.* (中國平煤神馬能源化工集團有限責任公司)	101,171,158	2.18	63,694,267	Nil		State-owned legal person
China International Capital Corporation Limited* (中國國際金融股份有限公司)	91,621,304	1.97	91,295,116	Nil		State-owned legal person
Guotai Junan Securities Co., Ltd.* (國泰君安證券股份有限公司)	82,911,747	1.79	82,802,547	Nil		State-owned legal person
Anyang Economic Development Group Co., Ltd.* (安陽經濟開發集團有限公司)	48,824,693	1.05		Pledged	24,412,346	State-owned legal person
Henan Railway Investment Co., Ltd.* (河南鐵路投資有限責任公司)	47,239,915	1.02	47,239,915	Nil		State-owned legal person

Shareholdings of the top ten shareholders not subject to trading restrictions

Name of shareholders	Number of tradable shares not subject to trading moratorium	Class and number of shares: Class	Number
HKSCC Nominees Limited	1,195,160,850	Overseas-listed foreign shares	1,195,160,850
Henan Investment Group Co., Ltd.	822,983,847	RMB-denominated ordinary shares	822,983,847
Bohai Industrial Investment Fund Management Co., Ltd. – First tranche of Bohai Industrial Investment Fund	492,318,967	RMB-denominated ordinary shares	492,318,967
Anyang Iron & Steel Group Co., Ltd.	177,514,015	RMB-denominated ordinary shares	177,514,015
Anyang Economic Development Group Co., Ltd.	48,824,693	RMB-denominated ordinary shares	48,824,693
China Pingmei Shenma Energy & Chemical Group Co., Ltd.	37,476,891	RMB-denominated ordinary shares	37,476,891
Securities Account Backed by Customer Credit Transactions of China Merchants Securities Co., Ltd.* (招商證券股份有限公司客戶信用交易擔保證券賬戶)	33,769,506	RMB-denominated ordinary shares	33,769,506
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund* (中國建設銀行股份有限公司 — 國泰中證全指證券公司交易型開放式指數證券投資基金)	28,147,900	RMB-denominated ordinary shares	28,147,900
Henan Shenhuo Group Co., Ltd.* (河南神火集團有限公司)	17,749,930	RMB-denominated ordinary shares	17,749,930
Henan Jinlong Industrial Co., Ltd.* (河南省金龍實業有限公司)	16,000,000	RMB-denominated ordinary shares	16,000,000
Explanation on related relationship or concerted action among the above-mentioned shareholders	The Company is not aware of any related relationship among the above-mentioned shareholders or whether they are parties acting in concert as defined in Measures for the Administration of the Takeover of Listed Companies (《上市公司收購管理辦法》).		

As at 30 September 2020, Dahe Paper (Hong Kong) Co., Limited, a wholly-owned subsidiary of Henan Investment Group Co., Ltd., directly held 46,733,000 H shares of the Company, and Henan Investment Group Co., Ltd. held 69,912,000 H shares of the Company through Southbound Trading under Shanghai-Hong Kong Stock Connect; Henan Investment Group Co., Ltd. directly and indirectly held a total of 116,645,000 H shares of the Company, representing 9.76% of the Company's issued H shares and 2.51% of the Company's total issued shares.

2.3 Total number of holders of preference shares and shareholdings of the top 10 holders of preference shares and top 10 holders of preference shares not subject to trading moratorium as at the end of the Reporting Period

☐ Applicable ✓ Not applicable

III. SIGNIFICANT EVENTS

3.1 Significant changes in major accounting items and financial indicators of the Company and the reasons thereof

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Items	30 September 2020	31 December 2019	Increase/ Decrease	Reason for changes
Derivative financial assets	**15,165,564.55**	11,384,115.93	33.22%	Mainly attributable to the changes in fair value of forward contracts
Refundable deposits	**660,082,770.57**	395,169,735.95	67.04%	Mainly attributable to the increase in deposits of the refinancing businesses
Financial assets held under repurchase agreements	**1,913,425,449.12**	3,023,888,527.71	-36.72%	Mainly attributable to the decrease in the scale of bond repurchase business
Other debt investments	**2,524,485,792.32**	664,695,346.48	279.80%	Mainly attributable to the increase in the bond investment
Construction in progress	**52,344,399.70**	35,578,119.28	47.13%	Mainly attributable to the expense of the construction of office buildings
Deferred income tax assets	**465,509,952.06**	345,625,693.11	34.69%	Mainly attributable to the provision for impairment of financial assets
Short-term borrowings	**480,221,969.41**	1,568,747,897.84	-69.39%	Mainly attributable to the decrease in short-term credit borrowings
Derivative financial liabilities	**792,928.25**	83,740.00	846.89%	Mainly attributable to the impact of option business

Items	**30 September 2020**	31 December 2019	Increase/ Decrease	Reason for changes
Taxes and surcharges payable	**151,765,696.63**	56,986,010.70	166.32%	Mainly attributable to the increase in the balance of enterprise income tax payable
Accounts payable	**125,097,909.40**	183,081,131.54	-31.67%	Mainly attributable to the decrease in settlement accounts payable
Contract liabilities	**50,245,788.86**	20,444,852.57	145.76%	Mainly attributable to increase in advances received for sale of goods
Long-term borrowings	**1,001,583.33**	13,202,955.17	-92.41%	Mainly attributable to the decrease in long-term credit borrowings
Deferred income tax liabilities	**13,533,107.52**	8,258,284.47	63.87%	Mainly attributable to the changes in fair value of financial assets
Other liabilities	**261,778,134.13**	393,552,547.54	-33.48%	Mainly attributable to the decrease in other accounts payable
Capital reserve	**6,329,613,193.23**	3,487,237,785.96	81.51%	Mainly attributable to the non-public issuance of A shares
Other comprehensive income	**48,610,009.47**	36,543,591.23	33.02%	Mainly attributable to increase in other comprehensive income qualified for transfer into profit or loss under entity method
Undistributed profit	**174,984,556.56**	88,232,726.32	98.32%	Mainly attributable to the profit realized during the Period

Items	**January to September in 2020**	January to September in 2019	Increase/ Decrease	Reason for changes
Investment income (loss stated with "-")	**429,749,239.19**	702,796,004.79	-38.85%	Mainly attributable to the decrease in investment income from financial instruments
Other income	**9,023,525.67**	4,590,525.67	96.57%	Mainly attributable to the increase in government grants income relating to the daily operating of the Company
Gains on fair value changes (loss stated with "-")	**-5,059,266.95**	25,009,541.23	-120.23%	Mainly attributable to the changes in fair value of financial assets held for trading
Foreign exchange gains (loss stated with "-")	**-3,053,601.67**	2,349,817.44	-229.95%	Mainly attributable to the changes in exchange rate
Other operating income	**847,977,980.18**	470,169,663.05	80.36%	Mainly attributable to the increase in sales income from bulk commodity
Gains from disposal of assets (loss stated with "-")	**-15,249.37**	23,256,416.87	-100.07%	Mainly attributable to the decrease in gains from disposal of fixed assets
Impairment loss of credit	**234,202,514.26**	149,877,047.79	56.26%	Mainly attributable to the increase in provision for impairment of financial assets held under repurchase agreements
Other impairment loss of assets	**28,873,794.87**	8,534,011.25	238.34%	Mainly attributable to the increase in provision for inventory depreciation

Items	**January to September in 2020**	January to September in 2019	Increase/ Decrease	Reason for changes
Other operating costs	**811,346,047.35**	460,193,435.61	76.31%	Mainly attributable to the increase in sales cost of bulk commodity
Non-operating expenses	**7,884,181.60**	357,496.67	2,105.39%	Mainly attributable to the increase in the external donation expenditure
Income tax expenses	**49,971,065.97**	90,333,516.14	-44.68%	Mainly attributable to the deferred income tax expenses
Net cash flows from operating activities	**1,248,671,779.24**	2,479,749,202.70	-49.65%	Mainly attributable to the decrease in cash inflow due to the decrease in the decline of the scale of the resale businesses year-on-year
Net cash flows from investing activities	**-1,598,204,803.28**	-413,293,824.71	N/A	Mainly attributable to the increase in cash paid for investments
Net cash flows from financing activities	**1,760,589,840.30**	-1,313,748,687.08	N/A	Mainly attributable to the decrease in cash for debt repayment and the increase in cash received from capital contribution

3.2 Updates, effects and solutions of significant events

✓ Applicable ☐ Not applicable

3.2.1 Non-public issuance of A shares

The Company considered and approved the relevant proposals in relation to non-public issuance of A shares at the seventh meeting of the sixth session of the Board on 18 April 2019 and 2018 annual general meeting, the 2019 first A share class meeting and the 2019 first H share class meeting on 11 June 2019. The Company proposes to issue A shares to target subscribers by way of non-public issuance. The number of shares to be issued under the non-public issuance shall be no more than 773,814,000 (inclusive) shares, and the proceeds are expected to be no more than RMB5.5 billion (inclusive).

On 21 October 2019, the Company received the Receipt of Application for Administrative License from the CSRC (Serial No.: 192628) (《中國證監會行政許可申請受理單》(受理序號：192628)) issued by China Securities Regulatory Commission (hereinafter referred to as the "CSRC"). The "application for non-public issuance of A shares" and relevant materials submitted by the Company were reviewed by the CSRC, and it was considered that the Company's application materials for non-public issuance of A shares were complete, and it was decided to accept the administrative permission application.

On 21 November 2019, the Company received the Notice Regarding the First Feedback on the Review of Administrative Permission Items from the CSRC (《中國證監會行政許可項目審查一次反饋意見通知書》) issued by the CSRC. On 19 December 2019, the Company and the relevant agencies carefully checked and discussed the issues raised in the feedback in the principal of due diligence and good faith, and disclosed the results on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

The Company considered and approved the relevant proposals in relation to the adjustments to the plan of the non-public issuance of A shares at the sixteenth meeting of the sixth session of the Board, the tenth meeting of the sixth session of the Supervisory Committee on 30 March 2020, and the 2019 annual general meeting, the 2020 first A share class meeting and the 2020 first H share class meeting on 10 June 2020. Pursuant to the Administrative Measures for the Issuance of Securities by Listed Companies and the Implementation Rules for Non-public Issuance of Shares by Listed Companies, the Company made amendments to the terms in relation to target subscribers, pricing method, lock-up period and amount of the proceeds of the non-public issuance. After the adjustments, the number of shares to be issued under the non-public issuance shall be no more than 773,814,000 (inclusive) shares, and the proceeds are expected to be no more than RMB5.25 billion (inclusive).

On 5 June 2020, the Company's application for the non-public issuance was approved by the issuance examination committee of the CSRC, and on 1 July the Company received the Approval in Relation to the Non-public Issuance of Shares by Central China Securities Co., Ltd. (Zheng Jian Xu Ke [2020] No. 1190) (《關於核准中原证券股份有限公司非公開發行股票的批覆》 (證監許可[2020]1190號)) from the CSRC, which approved the non-public issuance of no more than 773,814,000 new shares by the Company. On 30 July 2020, the Company completed the non-public issuance with a total number of 773,814,000 shares issued and the total amount of the proceeds of RMB3,644,663,940.00. The total number of A shares issued was changed to 3,447,519,700 shares. Henan Xinghua Certified Public Accountants Co., Ltd.* (河南興華會計師事務所有限公司) issued the Capital Verification Report on the Injection of Subscribed Funds for Non-public Offering of A Shares of Central China Securities Co., Ltd. (Yu Xing Hua Yan Zi [2020] No. 009) (《中原证券股份有限公司非公開發行A股股票認購資金到位情況驗資報告》 (豫興華驗字[2020]第009號)).

On 4 September 2020, the Company completed the industrial and commercial registration changes with respect to the above-mentioned matter, and obtained the renewed business licence issued by the Administration for Market Regulation of Henan Province, with the registered capital of the Company being changed to RMB4,642,884,700.

For details of the above-mentioned information, please refer to relevant announcements disclosed by the Company dated 19 April 2019, 12 June 2019, 22 October 2019, 19 December 2019, 31 March 2020, 6 June 2020, 11 June 2020, 2 July 2020, 1 August 2020 and 9 September 2020. (Announcement No.: 2019-024, 2019-041, 2019-060, 2019-073, 2020-013, 2020-014, 2020-016, 2020-017, 2020-018, 2020-047, 2020-048, 2020-051, 2020-056 and 2020-064)

3.2.2 Material litigation and arbitration

Unit: ten thousand Currency: RMB

During the Reporting Period:

Plaintiff (applicant)	Defendant (respondent)	Party bearing joint liability	Type of litigation or arbitration	Background of litigation (arbitration)	Amount involved in litigation (arbitration)	Any estimated liabilities incurred in litigation (arbitration) and the amount	Development of litigation (arbitration)	Trial outcome of litigation (arbitration) and the influence	Enforcement of the judgment on litigation (arbitration)
Central China Securities	Shenwu Technology Group Corporation Limited* (神霧科技集團股份有限公司)	None	Contract dispute	Note 1	20,000.00	None	Note 1	Note 1	Note 1
Central China Securities	Neoglory Holdings Group Co. Ltd.* (新光控股集團有限公司)	None	Contract dispute	Note 2	20,000.00	None	Note 2	Note 2	Note 2
Central China Securities	Shihezi Ruichen Equity Investment Partnership Enterprise (Limited Partnership)* (石河子市瑞晨股權投資合夥企業(有限合夥)), Tan Songbin (譚頌斌), Zhou Juan (周娟)	None	Contract dispute	Note 3	18,799.98	None	Note 3	Note 3	Note 3
Central China Securities	Great Wall Film & Culture Company Group Limited* (長城影視文化企業集團有限公司)	None	Contract dispute	Note 4	20,000.00	None	Note 4	Note 4	Note 4
Central China Securities	Kedi Food Group Co., Ltd.* (科迪食品集團股份有限公司)	None	Contract dispute	Note 5	43,165.83	None	Note 5	Note 5	Note 5
Central China International Financial Holdings Company Limited	Ke Wentuo (柯文托), Ke Jinzhi (柯金治), Shi Kaihua (施凱華), Fujian Grace Environmental Wall Paper CO., LTD. * (福建省優雅環保壁紙有限公司)	None	Contract dispute	Note 6	17,210.92	None	Note 6	Note 6	Note 6
Central China International Investment Company Limited	Ke Wentuo (柯文托), Ke Jinzhen (柯金珍)	None	Contract dispute	Note 7	24,688.40	None	Note 7	Note 7	Note 7

Note 1: The Company filed a lawsuit against Shenwu Technology Group Corporation Limited (hereinafter referred to as "Shenwu Group"), asserting the defendant's breach of securities-backed lending contract. After the first instance judgment issued by the Henan High People's Court (hereinafter referred to as "Henan High People's Court"), the defendant Shenwu Group filed an appeal. On 22 August 2019, the Company received the (2019) Supreme Court Minzhong No. 706 civil judgment issued by the Supreme People's Court of People's Republic of China (hereinafter referred to as "Supreme People's Court"), which rejected the appeal and upheld the original judgment. The Henan High People's Court accepted the case for compulsory enforcement on 23 September 2019. Zhengzhou Intermediate People's Court (hereinafter referred to as "Zhengzhou Intermediate People's Court") auctioned 19,800,000 shares of Shenwu Energy Saving Co., Ltd. (hereinafter referred to as "*ST Energy Saving") (Stock Code: 000820) held by Shenwu Group according to corresponding procedures, and both of the first auction and the second auction failed. On 10 September 2020, Zhengzhou Intermediate People's Court reached a verdict that "the equivalent creditor's rights shall be offset by transferring 19,800,000 shares of *ST Energy Saving held by Shenwu Group valued at RMB18,849,600 to the Central China Securities Co., Ltd.". As at the end of the Reporting Period, the case was under the process of compulsory enforcement.

Note 2: The Company filed a lawsuit against Neoglory Holdings Group Co. Ltd. (hereinafter referred to as "Neoglory Holdings"), asserting the defendant's breach of the securities-backed lending contract. Henan High People's Court accepted and then transferred the case to Jinhua Intermediate People's Court since Neoglory Holdings applied for bankruptcy and reorganization. Jinhua Intermediate People's Court accepted the bankruptcy and reorganization application on 25 April 2019, for which the Company had declared its creditor's rights. On 30 December 2019, the Company received the (2019) Zhe 07 Minchu No. 198 civil judgment issued by Jinhua Intermediate People's Court, which supported the Company's claims including payment to be made by Neoglory Holdings of financing principal with an amount of RMB200.00 million and interest, liquidated damages, and attorney's fees. It is confirmed that the Company had a preferential right of compensation on the 31,850,000 shares of Neoglory Prosperity Inc. (Stock Code: 002147) pledged by Neoglory Holdings within the scope of the creditor's rights determined by the aforesaid judgment. As at the end of the Reporting Period, this judgment has already been effective, and Neoglory Holdings is in the process of bankruptcy and reorganization.

Note 3: The Company filed a lawsuit against Shihezi Ruichen Equity Investment Partnership Enterprise (Limited Partnership) (hereinafter referred to as "Ruichen Investment"), Tan Songbin and Zhou Juan, asserting the defendants' breach of contract in the securities-backed lending business. After the first-instance judgment issued by the Henan High People's Court, the defendants Ruichen Investment, Tan Songbin and Zhou Juan filed an appeal. On 22 January 2020, the Company received the (2019) Supreme Court Minzhong No. 1917 civil judgment issued by the Supreme People's Court, which rules that Ruichen Investment shall pay the Company the financing principal of approximately RMB187.9998 million and liquidated damages, attorney's fees and insurance premiums, and Tan Songbin shall bear joint and several liability for the above-mentioned payment obligation. It is confirmed that the Company has a preferential right of compensation for the discount, auction, or sale proceeds of the 24,529,900 shares of Guangdong Silver Age Sci & Tech Co., Ltd. (hereinafter referred to as "Silver Age Sci & Tech") (Stock Code: 300221) pledged by the defendant Ruichen Investment to the Company within the scope of the creditor's rights determined by the aforesaid judgment. Other claims asserted by Central China Securities were rejected. On 30 March 2020, an enforcement was filed with the Henan High People's Court. Zhengzhou Intermediate People's Court auctioned 24,529,900 shares of Silver Age Sci & Tech according to the corresponding procedures, which had failed. As at the end of the Reporting Period, the case was under the process of compulsory enforcement.

Note 4: The Company filed a lawsuit against Great Wall Film & Culture Company Group Limited (hereinafter referred to as "Great Wall Film"), asserting the defendant's breach of securities-backed lending contract. On 5 December 2019, Henan High People's Court issue the (2019) Yuminchu No. 11 civil judgment, which supported the Company's claims including the payment to be made by Great Wall Film for the financing principal with an amount of RMB200.00 million and interest, liquidated damages, attorney's fees and litigation property preservation insurance premiums. It is confirmed that if Great Wall Film fails to fulfill the abovementioned payment obligations, the Company has the preferential right of compensation for the discount, auction, or sale proceeds of the 50,400,000 shares of Great Wall Movie and Television Co., Ltd. (Stock Abbreviation: *ST Grate Wall) (Stock Code: 002071) held by Great Wall Film. On 10 August 2020, the Company received the (2020) Supreme Court Minshen No. 4280 notice of respondence to action issued by the Supreme People's Court stating Great Wall Film refused to obey the first instance judgment and applied for a retrial. On 26 October 2020, the Company received the (2020) Supreme Court Minshen No. 4280 civil judgment issued by the Supreme People's Court, which rejected the application for retrial. Zhengzhou Intermediate People's Court auctioned 50,400,000 shares of *ST Great Wall according to the corresponding procedures, which had failed. As at the end of the Reporting Period, the case was under the process of compulsory enforcement.

Note 5: The Company filed a lawsuit against Kedi Food Group Co., Ltd. (hereinafter referred to as "Kedi Group"), asserting the defendant's breach of securities-backed lending contract, and after the first instance judgement issued by Zhengzhou Intermediate People's Court, both Kedi Group and the Company refused to obey the first instance judgment and instituted an appeal. On 3 August 2020, the Company received the (2020) Yuminzhong No. 636 civil ruling paper stating that Kedi Group was deemed to withdraw the appeal on its own account since it failed to pay the appeal fees within the stipulated period, and the Company's withdrawal of the appeal was allowed and this ruling was final. Zhengzhou Intermediate People's Court accepted the case for compulsory enforcement on 24 August 2020. As at the end of the Reporting Period, the case was under the process of compulsory enforcement.

Note 6: Central China International Financial Holdings Company Limited filed a lawsuit against Ke Wentuo, Ke Jinzhi, Shi Kaihua and Fujian Grace Environmental Wall Paper Co., Ltd., asserting the defendants' breach of guarantee contract. Quanzhou Intermediate People's Court accepted the case on 21 October 2019, and heard this case on 17 January 2020. The Company submitted the application for changes in claims on 22 September 2020 and the application for withdrawal of the lawsuit on 28 September 2020 to Quanzhou Intermediate People's Court, respectively. As at the end of the Reporting Period, no judgment or verdict has been made on the case.

Note 7: Central China International Investment Company Limited filed a lawsuit against Ke Wentuo and Ke Jinzhen, asserting the defendants' breach of guarantee contract. Quanzhou Intermediate People's Court accepted the case on 21 October 2019, and heard this case on 17 January 2020. The Company submitted the application for changes in claims on 22 September 2020 and the application for withdrawal of the lawsuit on 28 September 2020 to Quanzhou Intermediate People's Court, respectively. As at the end of the Reporting Period, no judgment or verdict has been made on the case.

3.3 Overdue commitment issues not fulfilled by the Company during the Reporting Period

☐ Applicable ✓ Not applicable

3.4 Warning and reasons for cumulative net profit expected to be a loss for the period from the beginning of the year to the end of next reporting period or any material changes in cumulative net profit as compared to the corresponding period of the previous year

☐ Applicable ✓ Not applicable

Company Name	Central China Securities Co., Ltd.
Legal Representative	Jian Mingjun
Date	30 October 2020

IV. APPENDIX

4.1 Financial statements

CONSOLIDATED BALANCE SHEET

30 September 2020

Prepared by: Central China Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	30 September 2020	31 December 2019
ASSETS:		
Cash and bank balances	**10,532,120,409.32**	9,331,748,561.52
Including: Customer funds deposits	**7,824,483,480.67**	6,581,561,810.40
Clearing settlement funds	**2,686,176,483.10**	2,518,049,515.84
Including: Customer settlement funds	**2,445,187,416.71**	2,347,142,384.82
Financing funds	**7,225,508,448.81**	6,060,740,196.56
Derivative financial assets	**15,165,564.55**	11,384,115.93
Refundable deposits	**660,082,770.57**	395,169,735.95
Receivables	**164,031,457.47**	153,912,302.37
Financial assets held under resale agreements	**1,913,425,449.12**	3,023,888,527.71
Financial investment:		
Financial assets held for trading	**18,555,796,721.28**	17,227,018,646.76
Debt investments	**558,272,026.00**	676,389,859.29
Other debt investments	**2,524,485,792.32**	664,695,346.48
Long-term equity investments	**1,090,666,729.74**	1,104,721,398.67
Investment properties	**16,678,206.00**	17,289,669.93
Fixed assets	**175,026,617.30**	193,032,226.69
Construction in progress	**52,344,399.70**	35,578,119.28
Right-of-use assets	**182,738,195.88**	184,977,696.07
Intangible assets	**162,703,228.89**	157,209,959.46
Goodwill	**22,084,178.91**	22,371,814.46
Deferred income tax assets	**465,509,952.06**	345,625,693.11
Other assets	**1,266,165,585.80**	1,446,099,029.69
Total assets	**48,268,982,216.82**	43,569,902,415.77

Items	**30 September 2020**	31 December 2019
LIABILITIES:		
Short-term borrowings	**480,221,969.41**	1,568,747,897.84
Short-term notes repayable	**4,157,739,339.92**	4,455,447,124.75
Interbank borrowing funds	**2,722,894,722.24**	2,361,159,583.32
Financial liabilities held for trading	**1,417,753,105.42**	1,114,552,379.16
Derivative financial liabilities	**792,928.25**	83,740.00
Financial assets sold under repurchase agreements	**9,265,475,319.52**	8,721,088,626.07
Accounts payable to brokerage clients	**10,087,413,065.65**	8,895,066,941.34
Staff costs payable	**537,860,248.79**	478,666,321.83
Taxes and surcharges payable	**151,765,696.63**	56,986,010.70
Accounts payable	**125,097,909.40**	183,081,131.54
Contract liabilities	**50,245,788.86**	20,444,852.57
Long-term borrowings	**1,001,583.33**	13,202,955.17
Bonds payable	**4,614,029,522.65**	4,623,940,375.96
Lease liabilities	**164,339,355.66**	177,837,189.74
Deferred income tax liabilities	**13,533,107.52**	8,258,284.47
Other liabilities	**261,778,134.13**	393,552,547.54
Total liabilities	**34,051,941,797.38**	33,072,115,962.00
Owners' equity (or shareholders' equity):		
Paid up capital (or share capital)	**4,642,884,700.00**	3,869,070,700.00
Capital reserve	**6,329,613,193.23**	3,487,237,785.96
Other comprehensive income	**48,610,009.47**	36,543,591.23
Surplus reserve	**808,084,287.96**	808,084,287.96
General risk reserve	**1,382,038,921.28**	1,382,038,921.28
Undistributed profit	**174,984,556.56**	88,232,726.32
Total equity attributable to the owners (or equity attributable to shareholders) of the Company	**13,386,215,668.50**	9,671,208,012.75
Minority interests	**830,824,750.94**	826,578,441.02
Total owners' equity (or shareholders' equity)	**14,217,040,419.44**	10,497,786,453.77
Total liabilities and owners' equity (or shareholders' equity)	**48,268,982,216.82**	43,569,902,415.77

Legal representative:	*Person in charge of accounting affairs:*	*Chief accountant:*	*Head of the accounting department:*
Jian Mingjun	**Chang Junsheng**	**Li Zhaoxin**	**Guo Liangyong**

BALANCE SHEET OF THE COMPANY

30 September 2020

Prepared by: Central China Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	30 September 2020	31 December 2019
ASSETS:		
Cash and bank balances	**9,037,181,716.36**	7,451,403,960.97
Including: Customer funds deposits	**7,460,597,415.23**	6,147,210,572.10
Clearing settlement funds	**2,507,273,945.88**	2,401,197,144.82
Including: Customer settlement funds	**2,180,461,392.07**	2,070,615,268.02
Financing funds	**7,073,536,420.91**	5,863,995,732.86
Derivative financial assets	**70,230.00**	
Refundable deposits	**356,180,018.93**	61,804,121.87
Receivables	**91,411,984.12**	106,952,495.81
Financial assets held under resale agreements	**1,839,765,058.41**	3,016,788,527.71
Financial investment:		
Financial assets held for trading	**15,919,013,716.81**	14,901,923,154.00
Other debt investments	**2,524,485,792.32**	664,695,346.48
Long-term equity investments	**4,126,432,553.95**	4,126,432,553.95
Investment properties	**26,138,619.99**	26,976,776.32
Fixed assets	**159,745,636.35**	177,043,901.96
Construction in progress	**52,344,399.70**	35,578,119.28
Right-of-use assets	**134,275,021.65**	143,733,697.34
Intangible assets	**156,885,796.35**	152,488,987.20
Deferred income tax assets	**321,459,732.57**	210,510,337.00
Other assets	**505,877,012.39**	476,558,424.45
Total assets	**44,832,077,656.69**	39,818,083,282.02

Items	**30 September 2020**	31 December 2019
LIABILITIES:		
Short-term notes repayable	**3,406,911,861.00**	4,455,447,124.75
Interbank borrowing funds	**2,722,894,722.24**	2,361,159,583.32
Financial liabilities held for trading	**805,892,388.63**	714,792,262.30
Derivative financial liabilities	**449,960.00**	
Financial assets sold under repurchase agreements	**9,265,475,319.52**	8,721,088,626.07
Accounts payable to brokerage clients	**9,328,802,932.19**	8,157,600,131.41
Staff costs payable	**509,541,072.55**	430,174,300.20
Taxes and surcharges payable	**138,637,332.46**	42,920,834.05
Accounts payable	**120,558,494.50**	175,101,509.70
Contract liabilities	**22,107,692.43**	7,911,220.55
Bonds payable	**4,614,029,522.65**	4,623,940,375.96
Lease liabilities	**131,233,202.23**	136,901,569.49
Deferred income tax liabilities	**2,775,438.69**	3,207,641.13
Other liabilities	**67,081,035.09**	56,052,632.96
Total liabilities	**31,136,390,974.18**	29,886,297,811.89
Owners' equity (or shareholders' equity):		
Paid up capital (or share capital)	**4,642,884,700.00**	3,869,070,700.00
Capital reserve	**6,606,160,370.81**	3,762,844,544.48
Other comprehensive income	**556,315.62**	5,435,762.48
Surplus reserve	**808,084,287.96**	808,084,287.96
General risk reserve	**1,315,470,752.11**	1,315,470,752.11
Undistributed profit	**322,530,256.01**	170,879,423.10
Total owners' equity (or shareholders' equity)	**13,695,686,682.51**	9,931,785,470.13
Total liabilities and owners' equity (or shareholders' equity)	**44,832,077,656.69**	39,818,083,282.02

Legal representative:	*Person in charge of accounting affairs:*	*Chief accountant:*	*Head of the accounting department:*
Jian Mingjun	**Chang Junsheng**	**Li Zhaoxin**	**Guo Liangyong**

CONSOLIDATED INCOME STATEMENT

January-September 2020

Prepared by: Central China Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items		**2020 Third Quarter (July-September)**	2019 Third Quarter (July-September)	**2020 First Three Quarters (January-September)**	2019 First Three Quarters (January-September)
1.	**Total operating revenue**	**958,441,694.32**	698,118,555.21	**2,208,417,017.57**	1,985,263,415.00
	Net interest income	**38,318,055.03**	13,086,419.12	**56,692,777.79**	73,401,066.82
	Including: Interest income	**263,645,607.96**	236,871,763.95	**702,927,700.11**	784,009,573.36
	Interest expenses	**225,327,552.93**	223,785,344.83	**646,234,922.32**	710,608,506.54
	Net fee and commission income	**359,151,287.73**	202,049,499.66	**873,101,612.73**	683,690,379.13
	Including: Net fee income from brokerage business	**256,591,166.91**	129,571,732.06	**600,656,304.50**	430,207,417.87
	Net fee income from investment banking	**49,009,558.80**	36,149,438.42	**147,986,890.06**	126,191,824.87
	Net fee income from asset management	**8,844,647.00**	19,683,057.82	**28,907,138.49**	60,394,386.59
	Investment income (loss stated with "-")	**66,694,084.70**	267,394,985.66	**429,749,239.19**	702,796,004.79
	Including: Investment income from associates and jointly-controlled entities	**19,394,615.89**	13,285,988.59	**54,179,046.13**	38,227,614.35
	Other income	**514,128.65**	1,346,963.63	**9,023,525.67**	4,590,525.67
	Fair value gains (loss stated with "-")	**60,526,937.80**	-65,072,882.49	**-5,059,266.95**	25,009,541.23
	Foreign exchange gains (loss stated with "-")	**-294,074.97**	2,465,166.28	**-3,053,601.67**	2,349,817.44
	Other operating income	**433,547,089.56**	253,582,160.51	**847,977,980.18**	470,169,663.05
	Gains from disposal of assets (loss stated with "-")	**-15,814.18**	23,266,242.84	**-15,249.37**	23,256,416.87
2.	**Total operating expenses**	**871,304,324.80**	638,072,520.58	**2,056,893,710.44**	1,572,121,414.37
	Taxes and surcharges	**5,383,976.16**	3,746,876.63	**14,824,423.55**	11,538,211.84
	Business and management expenses	**347,585,422.36**	308,518,463.90	**967,646,930.41**	941,978,707.88
	Impairment loss of credit	**93,800,388.96**	69,510,872.35	**234,202,514.26**	149,877,047.79
	Other impairment loss of assets	**5,938,799.60**	4,621,888.84	**28,873,794.87**	8,534,011.25
	Other operating costs	**418,595,737.72**	251,674,418.86	**811,346,047.35**	460,193,435.61
3.	**Operating profit (loss stated with "-")**	**87,137,369.52**	60,046,034.63	**151,523,307.13**	413,142,000.63
	Add: Non-operating income	**2,828,080.09**	3,737,763.72	**3,964,100.60**	4,912,282.98
	Less: Non-operating expenses	**781,670.69**	238,651.36	**7,884,181.60**	357,496.67

Items		2020 Third Quarter (July-September)	2019 Third Quarter (July-September)	2020 First Three Quarters (January-September)	2019 First Three Quarters (January-September)
4.	**Total profit (gross loss stated with "-")**	**89,183,778.92**	63,545,146.99	**147,603,226.13**	417,696,786.94
	Less: Income tax expenses	**25,235,206.81**	17,050,513.05	**49,971,065.97**	90,333,516.14
5.	**Net profit (net loss stated with "-")**	**63,948,572.11**	46,494,633.94	**97,632,160.16**	327,363,270.80
	(I) Classified by continuity of operations				
	1. Net profit from continuing operations (net loss stated with "-")	**63,948,572.11**	46,494,633.94	**97,632,160.16**	327,363,270.80
	2. Net profit from discontinued operations (net loss stated with "-")				
	(II) Classified by ownership of the equity				
	1. Net profit attributable to shareholders of the Company (net loss stated with "-")	**55,901,024.32**	50,511,486.74	**86,751,830.24**	290,438,427.38
	2. Gains or losses attributable to minority interests (net loss stated with "-")	**8,047,547.79**	-4,016,852.80	**10,880,329.92**	36,924,843.42
6.	**Other comprehensive income, net of taxes**	**7,747,608.39**	12,044,800.16	**12,066,418.24**	18,744,823.15
	Other comprehensive income attributable to owners of the Company, net of taxes	**7,747,608.39**	10,742,484.32	**12,066,418.24**	14,663,924.91
	(I) Other comprehensive income unqualified for reclassification into profit or loss				
	1. Change in re-measurement of defined benefit plan				
	2. Other comprehensive income unqualified for transfer into profit or loss under entity method				
	3. Changes in fair value of other equity instruments investments				
	4. Changes in fair value of the enterprise's credit risk				

Items			2020 Third Quarter (July-September)	2019 Third Quarter (July-September)	2020 First Three Quarters (January-September)	2019 First Three Quarters (January-September)
	(II)	Other comprehensive income to be reclassified into profit or loss	**7,747,608.39**	10,742,484.32	**12,066,418.24**	14,663,924.91
		1. Other comprehensive income qualified for transfer into profit or loss under entity method	**23,802,897.95**		**22,209,345.87**	
		2. Changes in fair value of other debt investments	**-2,107,409.34**	498,118.63	**-8,950,291.67**	1,852,634.61
		3. Amount of financial assets reclassified into other comprehensive income				
		4. Credit loss allowance for other debt investments	**-1,942,937.68**	-16,200.21	**4,070,844.81**	-14,120.89
		5. Hedged reserves of cash flows				
		6. Foreign currency translation differences	**-12,004,942.54**	10,260,565.90	**-5,263,480.77**	12,825,411.19
		7. Others				
	Other comprehensive income attributable to minority interests, net of taxes			1,302,315.84		4,080,898.24
7.	**Total comprehensive income**		**71,696,180.50**	58,539,434.10	**109,698,578.40**	346,108,093.95
	Total comprehensive income attributable to owners of the Company		**63,648,632.71**	61,253,971.06	**98,818,248.48**	305,102,352.29
	Total comprehensive income attributable to minority interests		**8,047,547.79**	-2,714,536.96	**10,880,329.92**	41,005,741.66
8.	**Earnings per share:**					
	(I)	Basic earnings per share (RMB/share)	**0.01**	0.02	**0.02**	0.08
	(II)	Diluted earnings per share (RMB/share)	**0.01**	0.02	**0.02**	0.08

Legal representative:	*Person in charge of accounting affairs:*	*Chief accountant:*	*Head of the accounting department:*
Jian Mingjun	**Chang Junsheng**	**Li Zhaoxin**	**Guo Liangyong**

INCOME STATEMENT OF THE COMPANY
January-September 2020

Prepared by: Central China Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items		**2020 Third Quarter (July-September)**	2019 Third Quarter (July-September)	**2020 First Three Quarters (January-September)**	2019 First Three Quarters (January-September)
1.	**Total operating revenue**	**450,930,350.10**	403,775,037.42	**1,254,874,120.83**	1,213,480,244.66
	Net interest income	**27,325,011.04**	2,486,175.79	**17,030,481.12**	-11,588,050.06
	Including: Interest income	**239,106,268.76**	202,141,268.59	**616,831,920.90**	629,110,364.12
	Interest expenses	**211,781,257.72**	199,655,092.80	**599,801,439.78**	640,698,414.18
	Net fee and commission income	**323,606,562.49**	161,702,902.35	**790,348,530.87**	584,599,329.68
	Including: Net fee income from brokerage business	**226,550,319.98**	105,562,905.87	**535,629,516.27**	378,488,422.70
	Net fee income from investment banking	**48,123,427.11**	26,699,252.82	**143,008,110.76**	109,446,013.58
	Net fee income from asset management	**8,201,662.57**	11,540,161.99	**26,430,761.32**	35,886,692.29
	Investment income (loss stated with "-")	**107,368,341.55**	207,710,666.74	**485,317,245.06**	531,606,661.33
	Including: Investment income from associates and jointly-controlled entities		-318,375.10		-631,932.89
	Other income	**474,990.37**	1,346,963.63	**8,838,010.62**	4,570,508.10
	Fair value gains (loss stated with "-")	**-11,435,777.17**	5,413,937.39	**-67,418,264.19**	75,953,602.14
	Foreign exchange gains (loss stated with "-")	**-381,318.90**	226,062.13	**-239,013.91**	242,680.97
	Other operating income	**3,988,408.24**	1,622,086.55	**21,012,270.83**	4,838,017.72
	Gains from disposal of assets (loss stated with "-")	**-15,867.52**	23,266,242.84	**-15,139.57**	23,257,494.78
2.	**Total operating expenses**	**408,402,383.83**	326,075,001.80	**1,086,461,717.73**	951,874,586.02
	Taxes and surcharges	**4,658,323.33**	3,159,970.92	**13,085,684.81**	10,082,738.01
	Business and management expenses	**303,271,350.74**	258,240,505.12	**845,933,861.54**	796,855,645.37
	Impairment loss of credit	**100,059,025.62**	64,395,074.20	**226,434,323.44**	143,751,043.77
	Other operating costs	**413,684.14**	279,451.56	**1,007,847.94**	1,185,158.87
3.	**Operating profit (loss stated with "-")**	**42,527,966.27**	77,700,035.62	**168,412,403.10**	261,605,658.64
	Add: Non-operating income	**1,051,928.06**	3,737,763.68	**1,222,058.11**	4,332,209.52
	Less: Non-operating expenses	**776,640.08**	51,039.63	**4,363,094.23**	116,827.69
4.	**Total profit (gross loss stated with "-")**	**42,803,254.25**	81,386,759.67	**165,271,366.98**	265,821,040.47
	Less: Income tax expenses	**4,820,524.82**	16,423,075.74	**13,620,534.07**	55,432,177.98

Items		2020 Third Quarter (July-September)	2019 Third Quarter (July-September)	2020 First Three Quarters (January-September)	2019 First Three Quarters (January-September)
5.	**Net profit (net loss stated with "-")**	**37,982,729.43**	64,963,683.93	**151,650,832.91**	210,388,862.49
	(I) Net profit from continuing operations (net loss stated with "-")	**37,982,729.43**	64,963,683.93	**151,650,832.91**	210,388,862.49
	(II) Net profit from discontinued operations (net loss stated with "-")				
6.	**Other comprehensive income, net of taxes**	**-4,050,347.02**	534,750.94	**-4,879,446.86**	1,891,251.91
	(I) Other comprehensive income unqualified for reclassification into profit or loss				
	1. Change in re-measurement of defined benefit plan				
	2. Other comprehensive income unqualified for transfer into profit or loss under entity method				
	3. Changes in fair value of other equity instruments investments				
	4. Changes in fair value of the enterprise's credit risk				
	(II) Other comprehensive income to be reclassified into profit or loss	**-4,050,347.02**	534,750.94	**-4,879,446.86**	1,891,251.91
	1. Other comprehensive income qualified for transfer into profit or loss under entity method				
	2. Changes in fair value of other debt investments	**-2,107,409.34**	498,118.63	**-8,950,291.67**	1,852,634.61
	3. Amount of financial assets reclassified into other comprehensive income				
	4. Credit loss allowance for other debt investments	**-1,942,937.68**	36,632.31	**4,070,844.81**	38,617.30
	5. Hedged reserves of cash flows				
	6. Foreign currency translation differences				
	7. Others				
7.	**Total comprehensive income**	**33,932,382.41**	65,498,434.87	**146,771,386.05**	212,280,114.40

Legal representative:	*Person in charge of accounting affairs:*	*Chief accountant:*	*Head of the accounting department:*
Jian Mingjun	**Chang Junsheng**	**Li Zhaoxin**	**Guo Liangyong**

CONSOLIDATED STATEMENT OF CASH FLOWS

January-September 2020

Prepared by: Central China Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	**2020 First Three Quarters (January-September)**	2019 First Three Quarters (January-September)
1. Cash flows from operating activities:		
Cash from interest, fee and commission	**2,083,241,173.96**	1,354,582,381.86
Net increase in interbank borrowings	**355,000,000.00**	
Net increase in income from repurchase transactions	**543,695,163.38**	326,063,903.60
Net cash received from securities brokerage	**1,192,346,124.31**	2,044,143,163.35
Net decrease in income from resale transactions	**1,149,849,503.24**	5,282,644,312.45
Other cash received relating to operating activities	**1,438,024,649.61**	917,046,139.60
Sub-total of cash inflows from operating activities	**6,762,156,614.50**	9,924,479,900.86
Net increase in financial assets held for trading	**888,525,104.99**	2,794,482,371.11
Net decrease in interbank borrowings		840,000,000.00
Net increase in margin accounts	**1,389,944,695.13**	947,663,441.72
Cash paid for interest, fee and commission	**501,247,926.88**	490,857,081.90
Cash paid to and for employees	**657,229,366.75**	630,736,096.13
Cash paid for taxes and surcharges	**189,388,051.50**	205,729,325.44
Other cash paid relating to operating activities	**1,887,149,690.01**	1,535,262,381.86
Sub-total of cash outflows from operating activities	**5,513,484,835.26**	7,444,730,698.16
Net cash flows from operating activities	**1,248,671,779.24**	2,479,749,202.70

Items		2020 First Three Quarters (January-September)	2019 First Three Quarters (January-September)
2.	**Cash flows from investing activities:**		
	Cash received from return on investments	**57,374,556.13**	213,587,503.52
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**121,520.51**	46,343,046.86
	Sub-total of cash inflows from investing activities	**57,496,076.64**	259,930,550.38
	Cash paid for investments	**1,593,849,740.23**	630,657,640.12
	Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	**61,851,139.69**	42,566,734.97
	Sub-total of cash outflows from investing activities	**1,655,700,879.92**	673,224,375.09
	Net cash flows from investing activities	**-1,598,204,803.28**	-413,293,824.71

Items	**2020 First Three Quarters (January-September)**	2019 First Three Quarters (January-September)
3. Cash flows from financing activities:		
Cash received from capital contribution	**3,617,129,826.33**	
Including: Cash received by subsidiaries from minority shareholders' capital contribution		
Cash received from borrowings	**716,761,120.00**	3,086,136,864.16
Cash received from issuance of bonds	**4,370,876,478.92**	7,005,906,000.00
Sub-total of cash inflows from financing activities	**8,704,767,425.25**	10,092,042,864.16
Cash paid for repayment of debts	**6,491,669,717.64**	10,456,718,699.89
Cash paid as dividends, profits or interest expense	**368,466,204.02**	470,733,298.81
Including: Dividends and profits paid by subsidiaries to minority shareholders	**6,634,020.00**	15,727,012.20
Other cash paid relating to financing activities	**84,041,663.29**	478,339,552.54
Sub-total of cash outflows from financing activities	**6,944,177,584.95**	11,405,791,551.24
Net cash flows from financing activities	**1,760,589,840.30**	-1,313,748,687.08
4. Effect of exchange rate changes on cash and cash equivalents	**-3,053,601.67**	2,349,817.44
5. Net increase in cash and cash equivalents	**1,408,003,214.59**	755,056,508.35
Add: Cash and cash equivalents at the beginning of the Period	**11,805,475,726.56**	9,602,115,554.08
6. Cash and cash equivalents at the end of the Period	**13,213,478,941.15**	10,357,172,062.43

Legal representative:	*Person in charge of accounting affairs:*	*Chief accountant:*	*Head of the accounting department:*
Jian Mingjun	**Chang Junsheng**	**Li Zhaoxin**	**Guo Liangyong**

STATEMENT OF CASH FLOWS OF THE COMPANY
January-September 2020

Prepared by: Central China Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	**2020 First Three Quarters (January-September)**	2019 First Three Quarters (January-September)
1. Cash flows from operating activities:		
Cash from interest, fee and commission	**1,901,001,690.52**	1,121,789,244.91
Net increase in interbank borrowings	**355,000,000.00**	
Net increase in income from repurchase transactions	**543,695,163.38**	326,063,903.60
Net cash received from securities brokerage	**1,171,202,800.78**	2,133,729,959.40
Net decrease in income from resale transactions	**1,146,153,066.26**	5,274,554,312.45
Other cash received relating to operating activities	**45,324,953.67**	53,897,383.58
Sub-total of cash inflows from operating activities	**5,162,377,674.61**	8,910,034,803.94
Net increase in financial assets held for trading	**591,429,895.72**	3,300,956,188.75
Net decrease in interbank borrowings		840,000,000.00
Net increase in margin accounts	**1,434,717,130.93**	1,053,378,246.80
Cash paid for interest, fee and commission	**478,849,925.89**	436,083,073.45
Cash paid to and for employees	**552,930,409.56**	515,309,727.25
Cash paid for taxes and surcharges	**131,365,884.45**	139,645,252.81
Other cash paid relating to operating activities	**729,504,393.32**	641,644,523.26
Sub-total of cash outflows from operating activities	**3,918,797,639.87**	6,927,017,012.32
Net cash flows from operating activities	**1,243,580,034.74**	1,983,017,791.62

Items		2020 First Three Quarters (January-September)	2019 First Three Quarters (January-September)
2.	**Cash flows from investing activities:**		
	Cash received from return on investments	**80,111,788.17**	60,255,757.14
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**112,515.68**	46,321,087.38
	Sub-total of cash inflows from investing activities	**80,224,303.85**	106,576,844.52
	Cash paid for investments	**1,789,709,721.92**	172,131,703.86
	Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	**57,651,291.34**	40,910,143.97
	Sub-total of cash outflows from investing activities	**1,847,361,013.26**	213,041,847.83
	Net cash flows from investing activities	**-1,767,136,709.41**	-106,465,003.31
3.	**Cash flows from financing activities:**		
	Cash received from capital contribution	**3,617,129,826.33**	
	Cash received from borrowings	**300,000,000.00**	
	Cash received from issuance of bonds	**3,620,049,000.00**	7,005,906,000.00
	Sub-total of cash inflows from financing activities	**7,537,178,826.33**	7,005,906,000.00
	Cash paid for repayment of debts	**4,974,409,000.00**	7,488,642,000.00
	Cash paid as dividends, profits or interest expense	**307,514,241.85**	381,871,655.21
	Other cash paid relating to financing activities	**41,264,566.02**	28,923,634.78
	Sub-total of cash outflows from financing activities	**5,323,187,807.87**	7,899,437,289.99
	Net cash flows from financing activities	**2,213,991,018.46**	-893,531,289.99

Items	2020 First Three Quarters (January-September)	2019 First Three Quarters (January-September)
4. Effect of exchange rate changes on cash and cash equivalents	**-239,013.91**	242,680.97
5. Net increase in cash and cash equivalents	**1,690,195,329.88**	983,264,179.29
Add: Cash and cash equivalents at the beginning of the Period	**9,849,533,204.97**	8,227,607,657.53
6. Cash and cash equivalents at the end of the Period	**11,539,728,534.85**	9,210,871,836.82

Legal representative:	*Person in charge of accounting affairs:*	*Chief accountant:*	*Head of the accounting department:*
Jian Mingjun	**Chang Junsheng**	**Li Zhaoxin**	**Guo Liangyong**

4.2 Relevant situations of initial adjustments to financial statements at the beginning of the relevant year due to the first implementation of the New Revenue Standards and New Leases Standards in 2020

☐ Applicable ✓ Not applicable

4.3 Descriptions of the retrospective adjustment to the comparative information in the previous periods due to first implementation of the New Revenue Standards and New Leases Standards in 2020

☐ Applicable ✓ Not applicable

4.4 Audit report

☐ Applicable ✓ Not applicable