GUOTAI JUNAN SECURITIES CO., LTD.
國泰君安証券股份有限公司

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

(Stock Code: 02611)

2021 FIRST 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 2021 first quarterly report of Guotai Junan Securities Co., Ltd. (the "**Company**") and its subsidiaries as of 31 March 2021. The financial report contained therein is prepared pursuant to the China Accounting Standards for Business Enterprises and has not been audited.

This announcement 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 April 2021

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, Mr. WANG Song, the person in charge of accounting affairs and Mr. LUAN Jinchang, 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 first 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	673,446,675,776	702,899,172,246	-4.19
Net assets attributable to equity holders of the Company	141,430,502,788	137,353,259,463	2.97
	January to March 2021	**January to March 2020**	**Increase/Decrease as compared with the corresponding period of last year (%)**
Net cash flow generated from operating activities	-13,706,796,896	15,626,575,785	-187.71
	January to March 2021	**January to March 2020**	**Increase/Decrease as compared with the corresponding period of last year (%)**
Operating revenue	10,943,320,576	6,144,698,847	78.09
Net profit attributable to equity holders of the Company	4,411,319,743	1,826,086,405	141.57
Net profit attributable to equity holders of the Company after deducting non-recurring gains and losses	3,060,774,897	1,539,525,772	98.81
Weighted average return on net assets (%)	3.33	1.36	Increased by 1.97 percentage points
Basic earnings per share (RMB/share)	0.49	0.19	157.89
Diluted earnings per share (RMB/share)	0.48	0.19	152.63

Items and Amounts of Non-recurring Gains and Losses

√ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	January to March 2021	Notes
Profits and losses on disposal of non-current assets	1,158,632,841	Mainly investment gains arising from revaluation of the equity interest in Shanghai Securities held by the Company at fair value following the solution for the same industry competition with Shanghai Securities
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	186,017,383	Mainly special financial support funds
Other non-operating income and expenditure besides the above items	71,439,453	
Effect of income tax	-65,581,640	
Effect of non-controlling interest (net of tax)	36,809	
Total	**1,350,544,846**	

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)						199,256
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**	**Status of shares**	**Number**	**Nature of shareholders**
Shanghai State-owned Assets Operation Co., Ltd. (Note 2)	1,900,963,748	21.34	–	Nil	–	State-owned legal person
HKSCC Nominees Limited (Note 3)	1,391,750,120	15.62	–	Unknown		Overseas legal person
Shanghai International Group Co., Ltd. (Note 4)	682,215,791	7.66	–	Nil	–	State-owned legal person
Shenzhen Investment Holding Co., Ltd. (Note 5)	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 6)	110,847,561	1.24	–	Nil	–	Overseas legal person
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	103,515,232	1.16	–	Nil	–	Others
China National Nuclear Corporation	76,292,793	0.86	–	Nil	–	State-owned legal person

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	1,391,750,120	Overseas listed foreign shares	1,391,750,120
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	110,847,561	RMB-denominated ordinary shares	110,847,561
China Construction Bank Corporation–Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	103,515,232	RMB-denominated ordinary shares	103,515,232
China National Nuclear Corporation	76,292,793	RMB-denominated ordinary shares	76,292,793
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 199,072 shareholders of A Shares and 184 registered shareholders of H Shares.

Note 2: In the above table of top 10 shareholders, 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 3: HKSCC Nominees Limited was a nominee holder of the shares owned by the non-registered holders of the H Shares of the Company.

Note 4: 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 124,000,000 H Shares of the Company were held by Shanghai International Group Co., Ltd. through HKSCC Nominees Limited as the nominee.

Note 5: 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 6: Hong Kong Securities Clearing Company Limited was the nominee of Shanghai Connect investors holding A Shares of the Company.

Note 7: 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.

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

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
Other equity instrument investments	3,158,048,059	17,637,062,448	-82.09	Mainly due to the decrease in scale of investment as a result of the external environment
Long-term equity investment	10,095,015,892	4,014,543,183	151.46	Mainly due to the fact that the financial statements of Shanghai Securities ceased to be incorporated into that of the Company
Intangible assets	1,344,323,262	2,424,971,818	-44.56	Mainly due to the fact that the financial statements of Shanghai Securities ceased to be incorporated into that of the Company
Goodwill	20,896,184	599,812,570	-96.52	Mainly due to the fact that the financial statements of Shanghai Securities ceased to be incorporated into that of the Company
Other assets	1,244,368,395	1,960,330,043	-36.52	Mainly due to changes in items including prepayments
Derivative financial liabilities	3,563,777,578	5,526,472,041	-35.51	Mainly due to changes in fair value of derivative financial instruments
Proceeds from underwriting securities received on behalf of customers	83,486,834	348,459,144	-76.04	Mainly due to changes in investment banking businesses
Long-term borrowings	–	1,491,571,669	-100.00	Mainly due to the fact that the financial statements of Shanghai Securities ceased to be incorporated into that of the Company
Deferred tax liabilities	227,856,254	139,059,336	63.86	Mainly due to changes in taxable temporary differences
Other liabilities	1,211,699,137	2,014,965,445	-39.87	Mainly due to the fact that the financial statements of Shanghai Securities ceased to be incorporated into that of the Company

Income statement and cash flow statement items	January to March 2021	January to March 2020	Increase/Decrease as compared with the same period of last year (%)	Reasons for changes
Investment gains	3,658,685,795	1,406,601,054	160.11	Mainly due to the increase in investment gains from financial assets held for trading and the gains arising from the revaluation of Shanghai Securities
Gains from changes in fair value (losses presented by "-")	560,191,372	-1,323,214,634	N/A	Changes in fair value of the relevant financial assets due to volatility in the securities market
Other operating revenue	1,757,814,462	1,285,422,595	36.75	Mainly due to the increase in income from the futures business and the commodities business
General and administrative expenses	3,679,665,730	2,231,877,780	64.87	Mainly due to the increase in operating revenue and the increase in various types of expenses
Other operating costs	1,676,538,083	1,302,225,700	28.74	Mainly due to the increase in costs of the futures business and the commodities business
Income tax expense	954,181,933	660,274,796	44.51	Mainly due to the increase in profit before tax
Net cash flow from operating activities	-13,706,796,896	15,626,575,785	-187.71	Mainly due to decrease in net increase in accounts payable to brokerage customers, increase in net cash outflows of repurchase business funds and increase in size of margin accounts receivable affected by the market conditions
Net cash flow generated from investing activities	-9,893,408,304	-339,106,963	N/A	Mainly due to changes in cash and cash equivalents as the financial statements of Shanghai Securities ceased to be incorporated into that of the Company

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. (hereinafter referred to as "Bailian Group") and Shanghai Municipal Investment (Group) Corporation to subscribe for the newly issued capital of Shanghai Securities by way of non-public capital increase. Upon completion of the capital increase, the shareholding of Bailian Group 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 December 2020, Shanghai Securities received the Reply on Approval of Shanghai Securities Co., Ltd.'s Change of Major Shareholders (Zheng Jian Xu Ke [2020] No. 3358) (《關於核准上海證券有限責任公司變更主要股東的批覆》(證監許可[2020]3358號)) from the China Securities Regulatory Commission ("CSRC") and the CSRC approved Bailian Group to become a major shareholder and controlling shareholder of Shanghai Securities; and had no objection to the change of registered capital of Shanghai Securities from RMB2,610,000,000 to RMB5,326,532,000, Bailian Group's legal subscription of additional capital contribution of RMB2,663,266,000 to Shanghai Securities and Shanghai Municipal Investment (Group) Corporation's legal subscription of additional capital contribution of RMB53,266,000 to Shanghai Securities.

In February 2021, Shanghai Securities has completed the industrial and commercial change registration of the additional registered capital, and the competition issue in the same industry between the Company and Shanghai Securities has been resolved. Shanghai Securities ceased to be incorporated into the financial statements of the Company as a subsidiary. According to preliminary calculations, the Company generated revenue of RMB1.16 billion from the capital increase by Shanghai Securities. (For details, please refer to the Company's announcements No. 2019-068, 2019-077, 2020-005, 2020-102 and 2021-007).

2. ***Guotai Junan Asset Management formally commenced the business of publicly offered securities investment fund management***

In December 2020, Shanghai Guotai Junan Securities Asset Management Co., Ltd. ("Guotai Junan Asset Management"), a wholly-owned subsidiary of the Company, received the Reply on the Approval of the Publicly Offered Securities Investment Fund Management Business Qualification for Shanghai Guotai Junan Securities Asset Management Co., Ltd.《關於核准上海國泰君安證券資產管理有限公司公開募集證券投資基金管理業務資格的批覆》(Zheng Jian Xu Ke [2020] No. 3681) from the CSRC, approving the publicly offered securities investment fund management qualification for Guotai Junan Asset Management. In April 2021, Guotai Junan Asset Management obtained its license for operating securities and futures business and formally commenced its publicly offered securities investment fund management business.

3. ***Bond issuance***

In April 2021, the Company implemented a public issue of Corporate Bonds with a principal amount of RMB4 billion, a term of 3 years and coupon rate of 3.46%, and implemented a public issue of Corporate Bonds with a principal amount of RMB2 billion, a term of 5 years and coupon rate of 3.75%.

4. ***Matter in relation to Issuance of MTN by overseas wholly-owned subsidiary with guarantee provided by the Company***

In April 2021, GUOTAI JUNAN HOLDINGS LIMITED (國泰君安控股有限公司), an overseas wholly-owned subsidiary of the Company, established the guaranteed medium term note programme at an aggregate principal amount of up to USD3 billion. Under the programme, GUOTAI JUNAN HOLDINGS LIMITED shall issue notes with a principal amount of US$500 million, a term of 5 years and coupon rate of 2.00%. The Company shall provide joint and several guarantee for the issuance.

3.3 Undertakings not yet performed 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.
Legal Representative	HE Qing
Date	2021年4月28日

IV. APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet
31 March 2021

Prepared by: Guotai Junan Securities Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	31 March 2021	31 December 2020
Assets:		
Cash and bank balances	162,238,674,621	152,769,037,734
Including: cash held on behalf of customers	128,840,497,611	127,493,579,529
Clearing settlement funds	14,349,431,985	17,879,557,878
Including: settlement funds held on behalf of customers	9,617,909,696	11,829,860,785
Margin accounts receivable	97,113,344,400	99,429,346,587
Derivative financial assets	2,815,958,001	2,214,225,726
Refundable deposits	31,906,762,914	29,415,401,446
Accounts receivable	10,683,584,535	9,290,306,343
Financial assets held under resale agreements	45,190,716,898	55,861,801,489
Financial investments:	289,179,482,719	318,856,007,797
Financial assets held for trading	229,153,971,058	228,726,144,020
Other debt investments	56,867,463,602	72,492,801,329
Other equity instrument investments	3,158,048,059	17,637,062,448
Long-term equity investment	10,095,015,892	4,014,543,183
Fixed assets	3,481,162,683	4,413,200,458
Construction in progress	223,717,356	265,463,000
Right-of-use assets	1,654,492,722	1,743,584,121
Intangible assets	1,344,323,262	2,424,971,818
Goodwill	20,896,184	599,812,570
Deferred tax assets	1,904,743,209	1,761,582,053
Other assets	1,244,368,395	1,960,330,043
Total assets	**673,446,675,776**	**702,899,172,246**

Items	31 March 2021	31 December 2020
Liabilities:		
Short-term borrowings	9,880,049,920	8,277,759,816
Short-term debt instruments	49,520,033,393	48,724,367,595
Placements from other financial institutions	11,746,060,223	13,810,629,516
Financial liabilities held for trading	51,731,936,679	48,094,458,815
Derivative financial liabilities	3,563,777,578	5,526,472,041
Financial assets sold under repurchase agreements	124,097,916,833	144,721,315,194
Accounts payable to brokerage customers	97,471,338,407	103,581,569,655
Proceeds from underwriting securities received on behalf of customers	83,486,834	348,459,144
Employee benefits payable	6,835,761,127	7,568,771,669
Tax payable	2,397,077,374	2,450,134,039
Accounts payable	81,542,952,283	76,177,164,135
Provisions	103,533,714	88,614,171
Long-term borrowings	–	1,491,571,669
Bonds payable	86,037,452,599	91,692,414,451
Lease liabilities	1,803,377,740	1,953,628,341
Deferred tax liabilities	227,856,254	139,059,336
Other liabilities	1,211,699,137	2,014,965,445
Total liabilities	**528,254,310,095**	**556,661,355,032**

Items	31 March 2021	31 December 2020
Equity:		
Share capital	8,908,448,368	8,908,448,211
Other equity instruments	11,071,660,233	11,071,660,717
Including: perpetual bonds	9,943,396,226	9,943,396,227
Capital reserve	45,639,127,410	45,571,239,030
Less: treasury shares	776,909,446	776,909,446
Other comprehensive income	-793,293,350	-548,092,753
Surplus reserve	7,172,530,796	7,172,530,796
General risk reserve	18,917,328,170	19,449,920,430
Retained profits	51,291,610,607	46,504,462,478
Total equity attributable to equity holders of the Company	141,430,502,788	137,353,259,463
Non-controlling interests	3,761,862,893	8,884,557,751
Total equity	**145,192,365,681**	**146,237,817,214**
Total liabilities and equity	**673,446,675,776**	**702,899,172,246**

Person in charge of the Company: HE Qing

Person in charge of accounting affairs: WANG Song

Person in charge of accounting department: LUAN Jinchang

Balance Sheet of the Parent Company
31 March 2021

Prepared by: Guotai Junan Securities Co., Ltd.

Unit: Yuan   Currency: RMB   Audit type: Unaudited

Items	**31 March 2021**	**31 December 2020**
Assets:		
Cash and bank balances	98,555,524,150	87,344,112,291
Including: cash held on behalf of customers	73,543,166,009	69,543,930,962
Clearing settlement funds	14,947,730,121	16,152,152,116
Including: settlement funds held on behalf of customers	9,617,909,696	10,098,396,838
Margin accounts receivable	81,103,693,848	80,121,481,078
Derivative financial assets	1,140,937,963	1,363,978,257
Refundable deposits	10,118,473,843	8,096,160,265
Accounts receivable	3,590,713,074	3,379,891,107
Financial assets held under resale agreements	40,149,733,177	50,168,827,957
Financial investments:	205,752,740,987	218,800,833,881
Financial assets held for trading	146,826,856,100	141,395,791,473
Other debt investments	56,299,825,473	60,866,548,954
Other equity instrument investments	2,626,059,414	16,538,493,454
Long-term equity investment	25,245,677,595	22,457,309,805
Fixed assets	1,285,553,918	1,297,020,149
Construction in progress	154,682,816	159,134,676
Right-of-use assets	1,283,577,253	1,390,824,326
Intangible assets	534,252,476	533,964,434
Deferred income tax assets	1,152,918,390	1,224,130,449
Other assets	283,715,542	2,360,859,389
Total assets	**485,299,925,153**	**494,850,680,180**

Items	31 March 2021	31 December 2020
Liabilities:		
Short-term debt instruments	30,952,146,230	33,844,006,255
Placements from other financial institutions	11,746,060,223	13,720,919,234
Financial liabilities held for trading	14,896,229,226	12,055,667,657
Derivative financial liabilities	2,164,496,918	4,705,608,687
Financial assets sold under repurchase agreements	108,655,614,176	117,637,331,000
Accounts payable to brokerage customers	80,917,323,710	78,436,311,011
Proceeds from underwriting securities received on behalf of customers	3,000,000	276,700,000
Employee benefits payable	5,193,706,712	5,737,113,473
Tax payable	1,720,428,000	1,553,483,719
Accounts payable	17,413,103,345	16,109,007,042
Provisions	82,113,719	82,113,719
Bonds payable	82,759,541,577	84,496,131,033
Lease liabilities	1,396,931,428	1,533,095,819
Other liabilities	131,996,105	343,428,576
Total liabilities	**358,032,691,369**	**370,530,917,225**
Equity:		
Share capital	8,908,448,368	8,908,448,211
Other equity instruments	11,071,660,233	11,071,660,717
Including: perpetual bonds	9,943,396,226	9,943,396,227
Capital reserve	44,221,378,805	44,143,827,127
Less: treasury shares	776,909,446	776,909,446
Other comprehensive income	516,245,142	926,826,502
Surplus reserve	7,172,530,795	7,172,530,796
General risk reserve	17,465,024,351	17,465,024,349
Retained profits	38,688,855,536	35,408,354,699
Total owners' equity	**127,267,233,784**	**124,319,762,955**
Total liabilities and equity	**485,299,925,153**	**494,850,680,180**

Person in charge of the Company: HE Qing

Person in charge of accounting affairs: WANG Song

Person in charge of accounting department: LUAN Jinchang

Consolidated Income Statement
January – March 2021

Prepared by: Guotai Junan Securities Co., Ltd.

Unit: Yuan Currency: RMB Audit type：Unaudited

Items	First quarter of 2021	First quarter of 2020
1. Total operating revenue	**10,943,320,576**	**6,144,698,847**
Net fee and commission income	3,387,037,777	3,063,502,425
Including: Net fee income from brokerage business	2,098,216,256	2,050,731,089
Net fee income from investment banking business	679,253,814	533,310,527
Net fee income from asset management business	507,450,211	416,037,613
Net interest income	1,409,794,579	1,430,360,252
Including: Interest income	3,801,265,732	3,476,672,649
Interest expenses	2,391,471,153	2,046,312,397
Investment gains	3,658,685,795	1,406,601,054
Including: Gains from investment in associates and joint ventures	96,599,210	3,102,252
Gains from changes in fair value (losses presented by "-")	560,191,372	-1,323,214,634
Other gains	219,910,690	387,634,527
Foreign exchange gains (losses presented by "-")	-50,087,380	-105,607,372
Other operating income	1,757,814,462	1,285,422,595
Gains on disposal of assets (losses presented by "-")	-26,719	–
2. Total operating expenses	**5,439,473,052**	**3,663,699,772**
Tax and surcharges	39,779,996	38,727,391
General and administrative expenses	3,679,665,730	2,231,877,780
Credit loss expense	26,194,588	51,804,670
Other asset impairment loss	17,294,655	39,064,231
Other operating expenses	1,676,538,083	1,302,225,700
3. Operating profit	**5,503,847,524**	**2,480,999,075**
Add: Non-operating revenue	43,433,820	967,464
Less: Non-operating expenses	5,959,656	802,795

Items	First quarter of 2021	First quarter of 2020
4. Total profit	**5,541,321,688**	**2,481,163,744**
Less: Income tax expense	954,181,933	660,274,796
5. Net profit	**4,587,139,755**	**1,820,888,948**
(1) Classified by operation continuity		
1. Net profit from continuing operations	4,587,139,755	1,820,888,948
(2) Classified by ownership		
1. Net profit attributable to equity owners of the parent company	4,411,319,743	1,826,086,405
2. Profit or loss attributable to non-controlling interests (losses presented by "-")	175,820,012	-5,197,457
6. Other comprehensive income (net of tax)	**-339,417,519**	**-296,511,972**
Other comprehensive income attributable to owners of the parent company (net of tax)	-354,412,882	-373,348,515
(1) Other comprehensive income that may not be reclassified into profit or loss	-316,701,751	-746,395,674
1. Other comprehensive income that may not be transferred to profit or loss under equity method	99,136,897	-46,775,868
2. Changes in fair value of other equity instrument investments	-415,838,648	-699,619,806
(2) Other comprehensive income that will be reclassified into profit or loss	-37,711,131	373,047,159
1. Changes in fair value of other debt investments	-48,608,219	253,095,785
2. Credit loss provision for other debt investments	-30,144,033	-30,276,726
3. Exchange differences on translation of financial statements in foreign currencies	41,041,121	150,228,100
Other comprehensive income attributable to non-controlling interests (net of tax)	14,995,363	76,836,543
7. Total comprehensive income	**4,247,722,236**	**1,524,376,976**
Total comprehensive income attributable to owners of the parent company	4,056,906,857	1,452,737,890
Total comprehensive income attributable to non-controlling interests	190,815,379	71,639,086
8. Earnings per share:		
(1) Basic earnings per share (RMB/share)	0.49	0.19
(2) Diluted earnings per share (RMB/share)	0.48	0.19

Person in charge of the Company: HE Qing

Person in charge of accounting affairs: WANG Song

Person in charge of accounting department: LUAN Jinchang

Income Statement of the Parent Company
January – March 2021

Prepared by: Guotai Junan Securities Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	First quarter of 2021	First quarter of 2020
1. Total operating revenue	**6,583,681,977**	**3,972,760,457**
Net fee and commission income	2,557,503,779	2,299,966,171
Including: Net fee income from brokerage business	1,957,064,128	1,867,083,897
Net fee income from investment banking business	501,821,360	374,302,189
Net interest income	1,057,304,959	1,133,620,794
Including: Interest income	3,076,118,660	2,702,234,175
Interest expenses	2,018,813,702	1,568,613,381
Investment gains	2,627,840,563	901,346,841
Including: Gains from investments in associates and joint ventures	73,732,710	21,000,000
Gains from changes in fair value (losses presented by "-")	355,653,369	-580,212,532
Other gains	33,348,457	236,000,100
Foreign exchange gains (losses presented by "-")	-50,411,148	-20,491,535
Other operating income	2,441,998	2,530,618
2. Total operating expenses	**2,859,471,534**	**1,620,909,363**
Tax and surcharges	27,128,867	31,276,645
General and administrative expenses	2,805,947,331	1,541,155,837
Credit loss expense	26,395,336	48,476,881

Items	First quarter of 2021	First quarter of 2020
3. Operating profit	**3,724,210,443**	**2,351,851,094**
Add: Non-operating revenue	42,431,322	506,735
Less: Non-operating expenses	482,100	473,343
4. Total profit	**3,766,159,665**	**2,351,884,486**
Less: Income tax expense	671,854,561	543,294,191
5. Net profit	**3,094,305,104**	**1,808,590,295**
(1) Net profit from continuing operations	3,094,305,104	1,808,590,295
6. Other comprehensive income (net of tax)	**-421,518,910**	**-486,323,955**
(1) Other comprehensive income that may not be reclassified into profit or loss	-412,839,614	-686,311,239
1. Changes in fair value of other equity instrument investments	-412,839,614	-686,311,239
(2) Other comprehensive income that will be reclassified into profit or loss	-8,679,296	199,987,284
1. Changes in fair value of other debt investments	-13,012,409	230,286,267
2. Credit loss provision for other debt investments	4,333,113	-30,298,983
7. Total comprehensive income	**2,672,786,194**	**1,322,266,340**

Person in charge of the Company: HE Qing

Person in charge of accounting affairs: WANG Song

Person in charge of accounting department: LUAN Jinchang

Consolidated Cash Flow Statement
January – March 2021

Prepared by: Guotai Junan Securities Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	First quarter of 2021	First quarter of 2020
1. Cash flows from operating activities:		
Net increase in financial liabilities held for trading	2,716,579,314	1,603,323,485
Cash received from interest, fees and commissions	7,933,355,659	7,327,173,496
Net cash received from accounts payable to brokerage customers	4,382,455,239	19,462,176,400
Cash received from other operating activities	13,835,442,224	9,594,824,777
Sub-total of cash inflows from operating activities	28,867,832,436	37,987,498,158
Net increase in financial assets held for trading	6,419,262,627	8,499,496,738
Net decrease in placements from other financial institutions	2,064,569,293	949,363,729
Net decrease in repurchase businesses	18,360,884,191	4,987,389,587
Net increase in margin accounts receivables	5,460,806,750	603,403,479
Cash payment of interest, fees and commissions	1,724,821,783	1,528,467,163
Cash paid to and for employees	2,850,632,670	2,385,716,122
Cash paid for various taxes	833,212,283	1,145,142,756
Cash paid for other operating activities	4,860,439,735	2,261,942,799
Sub-total of cash outflows from operating activities	42,574,629,332	22,360,922,373
Net cash flow from operating activities	-13,706,796,896	15,626,575,785
2. Cash flows from investing activities:		
Cash received from disposal of investment	35,173,253,952	18,150,406,677
Cash received from return on investments	1,368,206,924	425,034,930
Net cash received on disposal of subsidiaries and other business units	–	148,145,332
Sub-total of cash inflows from investing activities	36,541,460,876	18,723,586,939
Cash paid for investments	28,212,152,584	18,948,806,197
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	166,401,330	113,887,705
Net cash paid on disposal of subsidiaries and other business units	18,056,315,266	–
Sub-total of cash outflows from investing activities	46,434,869,180	19,062,693,902
Net cash flow from investing activities	-9,893,408,304	-339,106,963

Items	First quarter of 2021	First quarter of 2020
3. Cash flows from financing activities:		
Cash received from investments	10,468,020,000	5,000,000,000
Including: Cash received from issuing perpetual bonds	–	5,000,000,000
Cash received from issuing additional shares of subsidiaries	10,468,020,000	–
Cash received from borrowings	1,668,185,858	7,767,016,074
Cash received from issuing bonds	18,320,150,618	21,080,387,077
Sub-total of cash inflows from financing activities	30,456,356,476	33,847,403,151
Cash paid for repayment of debt	17,846,749,359	20,736,457,750
Cash paid for distribution of dividends, profit or payment of interest	1,154,926,879	1,311,811,382
Cash paid for other financing activities	160,710,915	168,136,559
Sub-total of cash outflows from financing activities	19,162,387,153	22,216,405,691
Net cash flow from financing activities	11,293,969,323	11,630,997,460
4. Effect on cash and cash equivalents from exchange rate movements	**107,757,820**	**384,231,053**
5. Net increase in cash and cash equivalents	**-12,198,478,057**	**27,302,697,335**
Add: Balance of cash and cash equivalents at the beginning of the period	168,508,513,940	131,964,882,594
6. Balance of cash and cash equivalents at the end of the period	**156,310,035,883**	**159,267,579,929**

Person in charge of the Company: HE Qing

Person in charge of accounting affairs: WANG Song

Person in charge of accounting department: LUAN Jinchang

Cash Flow Statement of the Parent Company
January – March 2021

Prepared by: Guotai Junan Securities Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	First quarter of 2021	First quarter of 2020
1. Cash flows from operating activities:		
Net decrease in financial assets held for trading	480,259,902	2,507,232,530
Net increase in financial liabilities held for trading	2,717,280,310	3,852,877,958
Cash received from interest, fees and commissions	6,351,353,221	5,609,544,408
Net decrease in margin accounts receivables	–	267,133,534
Net cash received from accounts payable to brokerage customers	2,462,372,925	11,037,508,903
Cash received from other operating activities	1,955,517,625	861,264,390
Sub-total of cash inflows from operating activities	13,966,783,983	24,135,561,723
Net decrease in repurchase businesses	8,516,797,585	5,018,422,252
Net decrease in placements from other financial institutions	1,979,149,200	988,021,000
Net increase in margin accounts receivables	1,007,929,051	–
Cash payment of interest, fees and commissions	1,430,739,690	1,262,562,451
Cash paid to and for employees	2,300,069,143	1,803,120,029
Cash paid for various taxes	493,226,432	728,040,861
Cash paid for other operating activities	4,180,107,575	1,559,540,279
Sub-total of cash outflows from operating activities	19,908,018,676	11,359,706,872
Net cash flow from operating activities	-5,941,234,693	12,775,854,851
2. Cash flows from investing activities:		
Cash received from disposal of investment	24,060,654,552	13,351,529,137
Cash received from return on investments	1,206,694,527	305,747,025
Net cash received on disposal of subsidiaries and other business units	–	134,145,332
Sub-total of cash inflows from investing activities	25,267,349,079	13,791,421,494
Cash paid for investments	12,190,318,783	10,355,284,830
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	95,618,488	85,464,651
Sub-total of cash outflows from investing activities	12,285,937,271	10,440,749,481
Net cash flow from investing activities	12,981,411,808	3,350,672,013

Items	First quarter of 2021	First quarter of 2020
3. Cash flows from financing activities:		
Cash received from investments	–	5,000,000,000
Including: Cash received from issuing perpetual bonds	–	5,000,000,000
Cash received from issuing of bonds	11,525,000,000	19,759,994,000
Sub-total of cash inflows from financing activities	11,525,000,000	24,759,994,000
Cash paid for repayment of debt	16,477,352,016	20,551,702,555
Cash paid for distribution of dividends, profit or payment of interests	930,742,893	1,002,224,046
Cash paid for other financing activities	122,089,145	133,773,388
Sub-total of cash outflows from financing activities	17,530,184,054	21,687,699,989
Net cash flow from financing activities	-6,005,184,054	3,072,294,011
4. Effect on cash and cash equivalents from exchange rate movements	**10,483,357**	**26,322,802**
5. Net increase in cash and cash equivalents	**1,045,476,418**	**19,225,143,677**
Add: Balance of cash and cash equivalents at the beginning of the period	123,591,473,648	97,332,334,190
6. Balance of cash and cash equivalents at the end of the period	**124,636,950,066**	**116,557,477,867**

Person in charge of the Company: HE Qing

Person in charge of accounting affairs: WANG Song

Person in charge of accounting department: LUAN Jinchang

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 2021

☐ 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 2021

☐ Applicable √ Not applicable

4.4 Audit Report

☐ Applicable √ Not applicable