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(A joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name 华泰证券股份有限公司 and carrying on business in Hong Kong as HTSC)
(Stock Code: 6886)

FIRST QUARTERLY REPORT OF 2021

The Board of Directors of the Company is pleased to announce the unaudited financial information of the Company and its subsidiaries for the first quarter ended March 31, 2021, prepared in accordance with the 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 (Cap. 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 English translation of the “Huatai Securities Co., Ltd. First Quarterly Report of 2021” as published on the website of the Shanghai Stock Exchange, and is provided for your reference only. In case of 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” or “Board of Directors”	the board of Directors of the Company
“Company”	a joint stock company incorporated in the People's Republic of China with limited liability under the corporate name 华泰证券股份有限公司 (Huatai Securities Co., Ltd.), converted from our predecessor 华泰证券有限责任公司 (Huatai Securities Limited Liability Company) on December 7, 2007, carrying on business in Hong Kong as “HTSC”, and was registered as a registered non-Hong Kong company under Part 16 of the Companies Ordinance under the Chinese approved name of “華泰六八八六股份有限公司” and English name of “Huatai Securities Co., Ltd.”; the H Shares of which have been listed on the main board of The Stock Exchange of Hong Kong Limited since June 1, 2015 (Stock Code: 6886); the A Shares of which have been listed on the Shanghai Stock Exchange since February 26, 2010 (Stock Code: 601688); the global depository receipts of which have been listed on the London Stock Exchange plc since June 2019 (Symbol: HTSC), unless the context otherwise requires, including its predecessor

“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
“GDR”	global depository receipt
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiangsu SASAC”	Jiangsu Provincial Government State-owned Assets Supervision and Administration Commission (江蘇省政府國有資產監督管理委員會)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “State”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC, the basic unit of which is “yuan”
“Reporting Period”	the period from January 1, 2021 to March 31, 2021
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“%”	per cent.

By order of the Board
Zhang Hui
Joint Company Secretary

Jiangsu, the PRC, April 29, 2021

As at the date of this announcement, the Board comprises Mr. Zhang Wei, Mr. Zhou Yi and Mr. Zhu Xuebo as executive Directors; Mr. Ding Feng, Mr. Chen Yongbing, Mr. Ke Xiang, Ms. Hu Xiao and Mr. Wang Tao as non-executive Directors; and Mr. Chen Chuanming, Mr. Lee Chi Ming, Ms. Liu Yan, Mr. Chen Zhibin and Mr. Wang Jianwen as independent non-executive Directors.

Company Code: 601688

Company Abbreviation: HTSC

**HUATAI SECURITIES CO., LTD.
FIRST QUARTERLY REPORT OF 2021**

CONTENTS

I.	Important Notice	5
II.	Basic Information of the Company.....	5
III.	Major Events	10
IV.	Appendix	14

I. Important Notice

1.1 The Board, the Supervisory Committee, Directors, Supervisors and senior management of the Company warrant that the information in this quarterly report is true, accurate, complete and contains no false record, misleading statement or material omission, and assume individual and joint liabilities to the information contained herein.

1.2 Particulars of absent Directors

Name of absent Director	Position of absent Director	Reason for absence	Name of proxy
Ding Feng	Director	Business engagement	Zhang Wei
Chen Yongbing	Director	Business engagement	Ke Xiang
Hu Xiao	Director	Business engagement	Zhang Wei
Wang Tao	Director	Business engagement	Ke Xiang
Liu Yan	Independent Director	Business engagement	Chen Chuanming

1.3 Zhang Wei, officer in charge, Jiao Xiaoning, officer in charge of accounting, and Fei Lei, officer in charge of the accounting office of the Company (head of accounting department), hereby guarantee that the financial statements contained in this quarterly report are true, accurate and complete.

1.4 This first quarterly report of the Company, which is prepared in accordance with the China Accounting Standards for Business Enterprises, is unaudited.

II. Basic Information of the Company

2.1 Key Financial Data

Unit: Yuan Currency: RMB

	As of the end of the Reporting Period	As of the end of the previous year	Change (%) as of the end of the Reporting Period as compared to the end of the previous year
Total assets	744,600,857,041.60	716,751,234,978.88	3.89
Net assets attributable to the shareholders of the listed Company	131,997,959,972.24	129,071,499,419.26	2.27
	Beginning of the year to the end of the Reporting Period	Beginning of the previous year to the end of the reporting period in the previous year	Change (%) as compared to the corresponding period of the previous year
Net cash flow generated from operating activities	2,855,625,401.47	13,677,634,866.20	-79.12

	Beginning of the year to the end of the Reporting Period	Beginning of the previous year to the end of the reporting period in the previous year	Change (%) as compared to the corresponding period of the previous year
Operating revenue	8,788,102,984.35	6,864,661,727.81	28.02
Net profit attributable to the shareholders of the listed Company	3,309,029,023.41	2,888,035,552.12	14.58
Net profit attributable to the shareholders of the listed Company excluding extraordinary gains and losses	3,278,017,188.98	2,901,409,675.04	12.98
Weighted average return on net assets (%)	2.54	2.33	Increased by 0.21 percentage point
Basic earnings per share (RMB/share)	0.37	0.32	15.63
Diluted earnings per share (RMB/share)	0.37	0.32	15.63

Items and amount of extraordinary gains and losses

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Amount for the Reporting Period
Profit or loss on disposal of non-current assets, including the part offset with the provision for impairment of assets	216,984.57
Government subsidies recognized in profit and loss of the current period, excluding those closely related to the normal operation of the Company and granted on an ongoing basis in standard fixed amount or fixed quota in accordance with government policies and regulations	44,348,337.85
Other non-operating income and expenses other than the above items	-2,632,051.28
Effect of income tax	-10,557,859.09
Effect of minority interest (net of tax)	-363,577.62
Total	<u><u>31,011,834.43</u></u>

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

Unit: share

Total number of shareholders

325,629

Name of shareholder (in full name)	Shareholding of top ten shareholders						Class of shareholder
	Number of shares held as of the end of the Reporting Period	Percentage (%)	Number of shares held subject to selling restrictions	Pledged or frozen shares	Status of shares	Number of shares	
HKSCC Nominees Limited	1,566,688,127	17.26	–	Nil	–	–	Foreign legal person
Jiangsu Guoxin Investment Group Limited	1,349,233,436	14.86	–	Nil	–	–	State-owned legal person
Jiangsu Communications Holding Company Limited	484,065,418	5.33	–	Nil	–	–	State-owned legal person
Govtor Capital Group Co., Ltd.	356,233,206	3.92	–	Nil	–	–	State-owned legal person
Alibaba (China) Technology Co., Ltd.	268,199,233	2.95	–	Nil	–	–	Domestic non-state-owned legal person
Hong Kong Securities Clearing Company Limited	261,430,052	2.88	–	Nil	–	–	Foreign legal person
Jiangsu SOHO Holdings Group Co., Ltd.	154,505,454	1.70	–	Nil	–	–	State-owned legal person
China Securities Finance Corporation Limited	152,906,738	1.68	–	Nil	–	–	Unknown
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	133,437,961	1.47	–	Nil	–	–	Unknown
Essence Securities – China Merchants Bank – Essence Securities Dingzengbao No. 1 Collective Asset Management Program	126,711,791	1.40	–	Nil	–	–	Unknown

Shareholding of top ten shareholders not subject to selling restrictions

Name of shareholder	Number of tradable shares not subject to selling restrictions	Class and number of shares	
		Class	Number
HKSCC Nominees Limited	1,566,688,127	Overseas listed foreign shares	1,566,688,127
Jiangsu Guoxin Investment Group Limited	1,349,233,436	Ordinary shares in RMB	1,271,072,836
Jiangsu Communications Holding Company Limited	484,065,418	Overseas listed foreign shares	78,160,600
Govtor Capital Group Co., Ltd.	356,233,206	Ordinary shares in RMB	447,065,418
		Overseas listed foreign shares	37,000,000
Alibaba (China) Technology Co., Ltd.	268,199,233	Ordinary shares in RMB	342,028,006
Hong Kong Securities Clearing Company Limited	261,430,052	Overseas listed foreign shares	14,205,200
Jiangsu SOHO Holdings Group Co., Ltd.	154,505,454	Ordinary shares in RMB	268,199,233
China Securities Finance Corporation Limited	152,906,738	Ordinary shares in RMB	261,430,052
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	133,437,961	Ordinary shares in RMB	135,027,054
Essence Securities – China Merchants Bank – Essence Securities Dingzengbao No. 1 Collective Asset Management Program	126,711,791	Overseas listed foreign shares	19,478,400
Description of the connected relationship or action in concert between the above shareholders	Jiangsu Guoxin Investment Group Limited, Jiangsu Communications Holding Company Limited, Govtor Capital Group Co., Ltd. and Jiangsu SOHO Holdings Group Co., Ltd. are wholly-owned by Jiangsu SASAC. Apart from the above, the Company is not aware whether there is any connection between other shareholders or whether such shareholders are parties acting in concert as stipulated under the Measures for the Administration of the Takeover of Listed Companies.	Ordinary shares in RMB	152,906,738
Explanation on restored voting rights by shareholders of preference shares and number of shares held	The Company has no shareholders of preference shares.		

- Notes: 1. The shareholders of ordinary shares in RMB (A shares) refer to the shareholders who are holders of accounts registered with Shanghai Branch of China Securities Depository and Clearing Corporation Limited in terms of their nature.
2. Among shareholders of overseas listed foreign shares (H shares) of the Company, shares of non-registered shareholders are held by HKSCC Nominees Limited on their behalf. As at the end of the Reporting Period, Jiangsu Guoxin Investment Group Limited, Jiangsu Communications Holding Co., Ltd., Govtor Capital Group Co., Ltd. and Jiangsu SOHO Holdings Group Co., Ltd. acquired, via Stock Connect's Southbound trading, 78,160,600 shares, 37,000,000 shares, 14,205,200 shares and 19,478,400 shares of the Company's H Shares, respectively, which are also being held by HKSCC Nominees Limited. These shareholdings are specifically listed separately at the time of the disclosure of this report; should such shares be included, the actual number of shares held by HKSCC Nominees Limited on their behalf would have been 1,715,532,327 shares, representing 18.90% of the total share capital of the Company.
3. As of the end of the Reporting Period, 5,000,000 A Shares held by Jiangsu Communications Holding Company Limited remained outstanding due to refinancing. When fully returned, its actual shareholding in the Company will be 452,065,418 A Shares and 37,000,000 H Shares, representing 5.39% of the Company's total shares.
4. Hong Kong Securities Clearing Company Limited is a nominal holder of A Shares of the companies held by the investors at Shanghai-Hong Kong Stock Connect.
5. According to the statistics provided by Citibank, National Association, the depositary of the Company's GDRs, the Company had a total of 1,033,185 GDRs in the duration period as of the end of the Reporting Period, accounting for 1.14% of the approved number of issuance by the CSRC.
6. Among the total number of shareholders of ordinary shares as at the end of the Reporting Period, there were 318,004 shareholders of A shares and 7,625 registered shareholders of H shares.

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

☐ Applicable ☒ Not applicable

III. Major Events

3.1 Details and reasons for material changes in key accounting statement items and financial indicators of the Company

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Balance sheet items	Balance as at the end of the period	Balance as at the end of the previous year	Change	Reason for change
Receivables	15,326,987,528.01	9,095,560,247.32	68.51%	Mainly related to the increase in equity swap receivables
Other equity instrument investment	154,410,124.27	10,678,417,333.15	-98.55%	Mainly related to the decrease in other equity instrument investment
Construction in progress	54,318,389.67	36,551,735.94	48.61%	Mainly related to the increase in fitting-out works
Short-term borrowings	18,178,858,629.23	11,299,858,788.62	60.88%	Mainly related to the increase in short-term borrowings of subsidiaries
Placements from other financial institutions	8,329,999,147.35	4,815,235,806.67	72.99%	Mainly related to the increase in placements from other financial institutions
Trading financial liabilities	22,748,126,112.52	15,381,530,029.60	47.89%	Mainly related to the increase in bond borrowings and selling scale
Derivative financial liabilities	8,827,989,707.69	13,398,830,136.71	-34.11%	Mainly related to the change in fair value of equity derivatives
Securities underwriting services	710,097,764.22	70,930,338.63	901.12%	Mainly related to the increase in underwriting settlement payable to customers
Other comprehensive income	14,694,416.41	368,713,282.23	-96.01%	Change in fair value of other equity instrument investment

Income statement items	Beginning of the year to the end of the report period (January-March)	Beginning of the previous year to the end of the report period in the previous year (January-March)	Change	Reason of change
Interest income	3,511,413,269.92	2,402,751,836.79	46.14%	Mainly related to the increase in interest income from margin financing and securities lending
Interest expenses	2,566,100,662.83	1,956,975,616.63	31.13%	Mainly related to the increase in interest expenses on bonds
Other gains	44,348,337.85	5,972,937.97	642.49%	Mainly related to the increase in government grants
Gains from change in fair value	1,080,768,658.61	-547,484,372.31	N/A	Change in fair value of financial instruments
Foreign exchange gains	-43,420,349.26	155,491,493.30	-127.92%	Mainly related to the increase in foreign exchange losses of subsidiaries
Other business income	367,084,298.30	154,750,237.60	137.21%	Mainly related to the increase in selling income from warehouse warrant and other spots of subsidiaries
Gain from disposal of assets	216,984.57	36,819.61	489.32%	Mainly related to the increase in gain from disposal of fixed assets of subsidiaries
Business and administrative expenses	3,895,332,808.78	2,871,313,848.42	35.66%	Mainly related to the increase in labor cost
Credit impairment loss	328,388,522.33	10,717,650.85	2,964.00%	Mainly related to the increase in provision for credit impairment loss on margin loans
Other asset impairment loss	-636.99	6,237,006.47	-100.01%	Mainly related to the reversal for impairment loss of other assets of subsidiaries
Other business costs	301,938,694.60	135,206,496.70	123.32%	Mainly related to the increase in selling cost of warehouse warrant and other spots of subsidiaries
Non-operating expenses	3,122,192.66	25,051,191.78	-87.54%	Mainly related to the decrease in expenditures for confiscations and donations

3.2 Analysis and explanation on the progress of major events and their effects and solutions

√ Applicable □ Not applicable

1. The progress of share repurchases by the Company

On March 30, 2020, the Company convened the fifth meeting of the fifth session of the Board, at which the Resolution on Repurchase of A Shares through Centralized Price Bidding was considered and approved (see Shanghai Stock Exchange announcement 2020-023 for details).

On January 8, 2021, the Company completed the repurchase. The Company has actually repurchased 90,766,495 A Shares of the Company, accounting for 0.9999999% of the total share capital of the Company, with the highest repurchase price of RMB23.08 per share and the lowest repurchase price of RMB17.19 per share. The average repurchase price was RMB18.46 per share and the total amount of funds used was RMB1,675,361,296.88 (excluding transaction costs). No difference between the actual implementation of the A Shares repurchase plan and the original share repurchase plan disclosed has been found. The Company has completed the repurchase pursuant to the plan as disclosed (see Shanghai Stock Exchange announcement 2021-007 for details).

2. The progress of the Restricted Share Incentive Scheme of A Shares of the Company

On December 31, 2020, the eleventh meeting of the fifth session of the Board and the sixth meeting of the fifth session of the Supervisory Committee of the Company have considered and approved the resolution on the Restricted Share Incentive Scheme of A Shares of the Company (the “Incentive Scheme”), respectively, and agreed to submit it to the general meeting of the Company for consideration (see Shanghai Stock Exchange announcement 2021-001 for details). On February 2, 2021, the Incentive Scheme was approved by the Jiangsu Provincial Government State-owned Assets Supervision and Administration Commission. On February 8, 2021, 2021 First Extraordinary General Meeting of the Company has considered and approved the resolution on the Incentive Scheme (see Shanghai Stock Exchange announcement 2021-016 for details).

On March 23, 2021, the fourteenth meeting of the fifth session of the Board and the eighth meeting of the fifth session of the Supervisory Committee of the Company have considered and approved the Resolution in Relation to the Adjustment to the Restricted Share Incentive Scheme of A Shares of the Company and the Resolution on Granting Restricted A Shares to the Incentive Participants, respectively. The Company was of view that the grant conditions under the Incentive Scheme have been satisfied, and determined March 29, 2021 as the grant date (see Shanghai Stock Exchange announcements 2021-029 and 2021-030 for details).

On April 7, 2021, the Company received the Certificate of Registration of Changes in Securities issued by China Securities Depository and Clearing Corporation Limited Shanghai Branch to set out the record date being April 6, 2021 and grant 45,488,000 Restricted A Shares to 810 eligible incentive participants at the Grant Price of RMB9.10 per Share. The incentive participants granted under the Incentive Scheme include the Directors, senior management and other core key employees of the Company, but exclude the non-executive Directors (including independent Directors) and Supervisors of the Company. The Company has completed the registration of the grant of the Restricted A Shares (see Shanghai Stock Exchange announcement 2021-032 for details).

3. Changes in Directors of the Company

On February 8, 2021, the Resolution in Relation to the Election of Mr. Ke Xiang as a Non-executive Director of the Fifth Session of the Board of the Company was considered and approved at the 2021 First Extraordinary General Meeting of the Company and Mr. Ke Xiang was elected as a non-executive Director of the fifth session of the Board of the Company. Mr. Ke Xiang has replaced Mr. Xu Qing to serve as a non-executive Director of the fifth session of the Board of the Company since February 8, 2021 until the end of the term of the current session of the Board.

4. Significant events of the subsidiaries

- 1) On February 2, 2021, AssetMark Financial, Inc., a subsidiary of Huatai International Financial Holdings Company Limited (華泰國際金融控股有限公司, “Huatai International”), a wholly-owned subsidiary of the Company, registered and established Gossamer Merger Sub, Inc. as its wholly-owned subsidiary, in Delaware, USA. On March 31, 2021, AssetMark Financial, Inc., a subsidiary of Huatai International, deregistered OBS Financial Services, Inc., its wholly-owned subsidiary.
- 2) On March 1, 2021, Jiangsu Equity Exchange Co., Ltd. (江蘇股權交易中心有限責任公司), a holding subsidiary of the Company, convened the meeting of the board of directors and elected Mr. Sun Hanlin as its chairman of the third session of the board of directors until the end of the term of the current session of the board.

3.3 Overdue and unfulfilled undertakings during the Reporting Period

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

Name of Company	Huatai Securities Co., Ltd.
Legal representative	Zhang Wei
Date	April 29, 2021

IV. Appendix

4.1 Financial Statements

Consolidated Balance Sheet

March 31, 2021

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	March 31, 2021	December 31, 2020
Assets:		
Monetary capital	171,982,349,448.05	153,161,845,002.57
Of which: Customer fund deposits	108,327,349,322.42	103,510,805,878.23
Clearing settlement funds	28,112,974,377.22	28,112,597,360.67
Of which: Settlement funds from customers	18,945,740,974.87	21,124,201,115.99
Precious metal	—	—
Placements with other financial institutions	—	—
Margin loans	112,307,701,574.36	102,574,007,019.08
Derivative financial assets	8,256,696,332.62	7,295,357,324.28
Refundable deposits	26,231,806,657.06	24,763,790,295.82
Receivables	15,326,987,528.01	9,095,560,247.32
Receivables financing	—	—
Contract assets	—	—
Financial assets held under resale agreements	23,451,867,986.93	19,536,412,405.52
Held-for-sale assets	—	—

Items	March 31, 2021	December 31, 2020
Financial investments:	325,298,211,957.72	339,053,186,837.40
Trading financial assets	286,743,126,543.43	292,695,306,675.55
Debt investments	32,833,170,029.81	30,411,507,722.05
Other debt investments	5,567,505,260.21	5,267,955,106.65
Other equity instrument investments	154,410,124.27	10,678,417,333.15
Long-term equity investments	18,672,479,283.63	18,444,811,734.41
Investment properties	354,765,779.35	408,337,803.10
Fixed assets	3,787,849,585.58	3,778,555,127.47
Construction in progress	54,318,389.67	36,551,735.94
Right-of-use assets	1,114,087,791.83	1,198,977,583.07
Intangible assets	5,541,013,368.43	5,276,069,156.38
Goodwill	2,277,574,183.13	2,260,945,283.90
Deferred income tax assets	327,482,604.85	339,501,946.73
Other assets	1,502,690,193.16	1,414,728,115.22
Total assets	<u>744,600,857,041.60</u>	<u>716,751,234,978.88</u>

Items	March 31, 2021	December 31, 2020
Liabilities:		
Short-term loans	18,178,858,629.23	11,299,858,788.62
Short-term margin loans	44,746,136,667.27	43,951,387,602.74
Placements from other financial institutions	8,329,999,147.35	4,815,235,806.67
Trading financial liabilities	22,748,126,112.52	15,381,530,029.60
Derivative financial liabilities	8,827,989,707.69	13,398,830,136.71
Financial assets sold under repurchase agreements	128,231,159,571.60	139,899,968,467.21
Securities brokerage services	138,047,725,658.56	136,387,634,132.26
Securities underwriting services	710,097,764.22	70,930,338.63
Employee benefits payables	11,305,274,691.61	11,131,509,940.50
Tax payables	2,104,090,819.10	1,949,983,376.01
Payables	50,564,665,896.57	43,706,056,087.16
Contract liabilities	102,559,350.38	92,365,911.23
Held-for-sale liabilities	—	—
Estimated liabilities	101,047.62	101,047.62
Long-term loans	479,362,556.17	475,413,821.66
Bonds payables	110,565,009,385.34	97,053,187,662.55
Of which: Preference shares	—	—
Perpetual bonds	—	—
Lease liabilities	1,184,972,391.40	1,248,799,878.85
Deferred income	—	—
Deferred income tax liabilities	2,383,908,609.97	2,545,646,807.33
Other liabilities	60,773,064,029.48	61,030,761,172.73
Total liabilities	<u>609,283,102,036.08</u>	<u>584,439,201,008.08</u>

Items	March 31, 2021	December 31, 2020
Owners' equity (or equity of shareholders):		
Paid up capital (or share capital)	9,076,650,000.00	9,076,650,000.00
Other equity instruments	—	—
Of which: Preference shares	—	—
Perpetual bonds	—	—
Capital reserve	70,770,466,530.51	70,750,052,647.82
Less: treasury shares	1,675,509,909.10	1,626,546,421.80
Other comprehensive income	14,694,416.41	368,713,282.23
Surplus reserve	5,711,066,830.18	5,711,066,830.18
General risk provision	15,815,222,979.23	15,792,944,866.70
Undistributed profits	32,285,369,125.01	28,998,618,214.13
Total equity attributable to the owners (or equity of shareholders) of the parent company	131,997,959,972.24	129,071,499,419.26
Minority interest	3,319,795,033.28	3,240,534,551.54
Total owners' equity (or equity of shareholders)	<u>135,317,755,005.52</u>	<u>132,312,033,970.80</u>
 Total liabilities and owners' equity (or equity of shareholders)	 <u>744,600,857,041.60</u>	 <u>716,751,234,978.88</u>
 Officer in charge of the Company: Zhang Wei	 Officer in charge of accounting: Jiao Xiaoning	 Head of accounting department: Fei Lei

Balance Sheet of the Parent Company

March 31, 2021

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	March 31, 2021	December 31, 2020
Assets:		
Monetary capital	101,116,063,419.39	92,121,664,130.70
Of which: Customer fund deposits	82,142,751,604.02	80,291,078,166.32
Clearing settlement funds	31,637,309,264.10	30,659,764,628.47
Of which: Settlement funds from customers	18,945,740,974.87	21,124,201,115.99
Precious metal	—	—
Placements with other financial institutions	—	—
Margin loans	103,882,140,815.86	100,819,185,468.12
Derivative financial assets	3,704,033,006.74	7,583,195,471.07
Refundable deposits	10,732,488,521.23	9,876,631,872.16
Receivables	12,215,620,719.08	6,872,139,056.00
Receivables financing	—	—
Contract assets	—	—
Financial assets held under resale agreements	12,778,146,741.49	9,983,826,655.81
Held-for-sale assets	—	—
Financial investments:	221,908,038,941.17	224,340,803,011.99
Trading financial assets	188,240,649,468.72	183,679,814,079.01
Debt investments	32,554,830,143.93	30,120,020,705.50
Other debt investments	1,059,865,468.49	—
Other equity instrument investments	52,693,860.03	10,540,968,227.48
Long-term equity investments	31,102,103,021.71	30,692,145,826.95
Investment properties	1,137,112,710.32	1,216,252,357.85
Fixed assets	2,754,519,913.87	2,726,008,509.80
Construction in progress	53,776,127.29	36,537,871.42
Right-of-use assets	660,948,018.96	664,917,807.58
Intangible assets	731,599,436.10	490,002,927.30
Goodwill	—	—
Deferred income tax assets	—	—
Other assets	7,917,851,824.82	6,255,245,786.64
Total assets	542,331,752,482.13	524,338,321,381.86

Items	March 31, 2021	December 31, 2020
Liabilities:		
Short-term loans	—	—
Short-term margin loans	43,240,587,631.52	43,720,162,895.82
Placements from other financial institutions	8,329,999,147.35	4,815,235,806.67
Trading financial liabilities	3,286,586,079.58	—
Derivative financial liabilities	2,613,207,754.77	6,906,378,862.98
Financial assets sold under repurchase agreements	111,655,622,182.69	120,402,890,577.79
Securities brokerage services	102,052,926,670.25	100,723,551,439.06
Securities underwriting services	2,360,000.00	15,066,500.00
Employee benefits payables	8,323,067,684.65	7,452,013,331.36
Tax payables	1,281,461,700.08	1,233,871,906.88
Payables	39,952,681,090.02	33,834,595,851.67
Contract liabilities	—	—
Held-for-sale liabilities	—	—
Estimated liabilities	101,047.62	101,047.62
Long-term loans	—	—
Bonds payables	104,596,287,920.46	91,153,583,480.76
Of which: Preference shares	—	—
Perpetual bonds	—	—
Lease liabilities	679,180,218.49	670,580,046.64
Deferred income	—	—
Deferred income tax liabilities	22,146,654.93	150,743,037.14
Other liabilities	2,444,208,138.97	1,288,035,170.81
Total liabilities	<u>428,480,423,921.38</u>	<u>412,366,809,955.20</u>
Owners' equity (or equity of shareholders):		
Paid up capital (or share capital)	9,076,650,000.00	9,076,650,000.00
Other equity instruments	—	—
Of which: Preference shares	—	—
Perpetual bonds	—	—
Capital reserve	69,230,072,180.45	69,229,342,337.75
Less: treasury shares	1,675,509,909.10	1,626,546,421.80
Other comprehensive income	-21,869,732.68	342,154,791.49
Surplus reserve	5,711,066,830.18	5,711,066,830.18
General risk provision	11,634,460,659.60	11,634,395,442.05
Undistributed profits	19,896,458,532.30	17,604,448,446.99
Total owners' equity (or equity of shareholders)	113,851,328,560.75	111,971,511,426.66
Total liabilities and owners' equity (or equity of shareholders)	<u>542,331,752,482.13</u>	<u>524,338,321,381.86</u>
Officer in charge of the Company: Zhang Wei	Officer in charge of accounting: Jiao Xiaoning	Head of accounting department: Fei Lei

Consolidated Income Statement

January to March 2021

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First quarter of 2021	First quarter of 2020
I. Total Operating income	8,788,102,984.35	6,864,661,727.81
Net interest income	945,312,607.09	445,776,220.16
Of which: Interest income	3,511,413,269.92	2,402,751,836.79
Interest expenses	2,566,100,662.83	1,956,975,616.63
Net fee and commission income	3,485,740,274.33	2,791,933,243.86
Of which: Net fee income from brokerage business	1,785,948,637.99	1,514,908,794.88
Net fee income from asset management business	700,640,193.44	847,077,003.00
Net fee income from investment banking business	939,719,223.10	381,983,259.60
Investment gains (“-” indicating losses)	2,908,052,172.86	3,858,185,147.62
Of which: Gains from investments in associates and joint ventures	437,635,976.43	810,941,921.60
Gains from derecognition of financial assets measured at amortised cost (“-” indicating losses)	30,814,647.41	—
Net exposure hedging gains (“-” indicating losses)	—	—
Other gains	44,348,337.85	5,972,937.97
Gains from change in fair value (“-” indicating losses)	1,080,768,658.61	-547,484,372.31
Foreign exchange gains (“-” indicating losses)	-43,420,349.26	155,491,493.30
Other business income	367,084,298.30	154,750,237.60
Gain from disposal of assets (“-” indicating losses)	216,984.57	36,819.61
II. Total operating expenses	4,581,723,319.25	3,066,717,543.90
Tax and surcharges	56,063,930.53	43,242,541.46
Business and administrative expenses	3,895,332,808.78	2,871,313,848.42
Credit impairment loss	328,388,522.33	10,717,650.85
Other asset impairment loss	-636.99	6,237,006.47
Other business costs	301,938,694.60	135,206,496.70
III. Operating profit (“-” indicating losses)	4,206,379,665.10	3,797,944,183.91
Add: Non-operating income	490,141.38	328,980.12
Less: Non-operating expenses	3,122,192.66	25,051,191.78
IV. Total profit (“-” indicating total losses)	4,203,747,613.82	3,773,221,972.25
Less: Income tax expenses	841,834,950.40	863,309,146.68

Items	First quarter of 2021	First quarter of 2020
V. Net profit (“-” indicating net losses)	3,361,912,663.42	2,909,912,825.57
(I) Classified by continuity of operations		
1. Net profit from continuing operations (“-” indicating net losses)	3,361,912,663.42	2,909,912,825.57
2. Net profit from discontinued operations (“-” indicating net losses)	—	—
(II) Classified by ownership of equity		
1. Net profit attributable to shareholders of the parent company (“-” indicating net losses)	3,309,029,023.41	2,888,035,552.12
2. Profit or loss of minority interest (“-” indicating net losses)	52,883,640.01	21,877,273.45
VI. Other comprehensive income, net of tax	-341,479,232.34	-311,782,804.96
Other comprehensive income attributable to owners of the parent company, net of tax	-354,018,865.82	-338,350,467.02
(I) Other comprehensive income that will not be reclassified to profit and loss	-366,205,775.59	-343,523,689.99
1. Changes in amount of re-measurement of defined benefit plan	—	—
2. Other comprehensive income that will not be transferred to profit and loss under the equity method	—	—
3. Change in fair value of other equity instrument investments	-366,205,775.59	-343,523,689.99
4. Change in fair value of the enterprise’s own credit risk	—	—
(II) Other comprehensive income that will be reclassified to profit and loss	12,186,909.77	5,173,222.97
1. Other comprehensive income that will be transferred to profit and loss under the equity method	575,054.00	-12,009,181.88
2. Change in fair value of other debt investments	-72,417,413.30	-140,537,934.43
3. Amount of financial assets reclassified to other comprehensive income	—	—
4. Provision for credit losses of other debt investments	142,951.97	—
5. Reserve for hedge against cash flow	5,549,680.75	-35,194,846.67
6. Exchange differences from translation of financial statements denominated in foreign currencies	78,336,636.35	192,915,185.95
7. Other	—	—
Other comprehensive income attributable to minority interest, net of tax	12,539,633.48	26,567,662.06
VII. Total comprehensive income	3,020,433,431.08	2,598,130,020.61
Total comprehensive income attributable to owners of the parent company	2,955,010,157.59	2,549,685,085.10
Total comprehensive income attributable to minority interest	65,423,273.49	48,444,935.51
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.37	0.32
(II) Diluted earnings per share (RMB/share)	0.37	0.32

Officer in charge
of the Company:
Zhang Wei

Officer in charge
of accounting:
Jiao Xiaoning

Head of accounting
department:
Fei Lei

Income Statement of the Parent Company

January to March 2021

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First Quarter of 2021	First Quarter of 2020
I. Total Operating income	5,524,460,183.66	4,034,866,518.61
Net interest income	689,580,513.50	247,056,458.96
Of which: Interest income	3,102,297,873.79	2,034,896,804.05
Interest expenses	2,412,717,360.29	1,787,840,345.09
Net fee and commission income	1,723,465,204.11	1,590,334,173.03
Of which: Net fee income from brokerage business	1,612,520,665.55	1,469,063,472.82
Net fee income from asset management business	—	—
Net fee income from investment banking business	75,231,746.77	102,200,813.60
Investment gains (“-” indicating losses)	2,086,257,021.46	2,823,065,097.15
Of which: Gains from investments in associates and joint ventures	409,160,962.36	307,404,033.83
Gains from derecognition of financial assets measured at amortised cost (“-” indicating losses)	16,221,143.13	—
Net exposure hedging gains (“-” indicating losses)	—	—
Other gains	41,743,970.77	5,569,131.89
Gains from change in fair value (“-” indicating losses)	951,899,771.78	-658,979,381.34
Foreign exchange gains (“-” indicating losses)	-6,906,934.89	1,189,103.37
Other business income	38,420,627.22	26,591,302.30
Gain from disposal of assets (“-” indicating losses)	9.71	40,633.25
II. Total operating expenses	2,603,511,206.62	1,659,150,475.43
Tax and surcharges	45,714,806.54	37,869,482.84
Business and administrative expenses	2,205,342,031.47	1,608,406,149.91
Credit impairment loss	342,078,965.48	1,054,231.75
Other asset impairment loss	—	—
Other business costs	10,375,403.13	11,820,610.93
III. Operating profit (“-” indicating losses)	2,920,948,977.04	2,375,716,043.18
Add: Non-operating income	37,441.42	114,187.60
Less: Non-operating expenses	1,273,002.09	16,415,959.90

Items	First Quarter of 2021	First Quarter of 2020
IV. Total profit (“-” indicating total losses)	2,919,713,416.37	2,359,414,270.88
Less: Income tax expenses	627,638,113.51	520,640,841.72
V. Net profit (“-” indicating net losses)	2,292,075,302.86	1,838,773,429.16
(I) Net profit from continuing operations (“-” indicating net losses)	2,292,075,302.86	1,838,773,429.16
(II) Net profit from discontinued operations (“-” indicating net losses)	—	—
VI. Other comprehensive income, net of tax	-364,024,524.17	-355,532,871.87
(I) Other comprehensive income that will not be reclassified to profit and loss	-366,205,775.59	-343,523,689.99
1. Changes in amount of re-measurement of defined benefit plan	—	—
2. Other comprehensive income that will not be transferred to profit and loss under the equity method	—	—
3. Change in fair value of other equity instrument investments	-366,205,775.59	-343,523,689.99
4. Change in fair value of the enterprise’s own credit risk	—	—
(II) Other comprehensive income that will be reclassified to profit and loss	2,181,251.42	-12,009,181.88
1. Other comprehensive income that will be transferred to profit and loss under the equity method	575,054.00	-12,009,181.88
2. Change in fair value of other debt investments	1,463,245.45	—
3. Amount of financial assets reclassified to other comprehensive income	—	—
4. Provision for credit losses of other debt investments	142,951.97	—
5. Reserve for hedge against cash flow	—	—
6. Exchange differences from translation of financial statements denominated in foreign currencies	—	—
7. Other	—	—
VII. Total comprehensive income	1,928,050,778.69	1,483,240,557.29
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	—	—
(II) Diluted earnings per share (RMB/share)	—	—
Officer in charge of the Company: Zhang Wei	Officer in charge of accounting: Jiao Xiaoning	Head of accounting department: Fei Lei

Consolidated Cash Flow Statement

January to March 2021

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First quarter of 2021	First quarter of 2020
I. Cash flows from operating activities:		
Cash from sale of products and provision of services	—	—
Net increase in placements from other financial institutions	—	—
Net increase in disposal of trading financial assets	21,095,372,140.43	—
Cash received from interest, fees and commissions	7,912,895,829.52	7,506,390,215.99
Net increase in placements from other financial institutions	3,513,076,100.00	—
Net increase in cash from repurchase business	—	1,411,522,569.86
Net cash received from securities brokerage services	1,678,641,676.75	16,191,843,353.98
Cash received relating to other operating activities	2,290,257,907.60	11,607,794,653.51
Subtotal of cash inflows from operating activities	36,490,243,654.30	36,717,550,793.34
Net increase in margin loans	9,645,561,641.89	1,908,844,113.81
Net increase in financial assets held for trading purpose	—	13,536,212,244.41
Net decrease in cash from repurchase business	11,836,347,001.16	—
Net decrease in placements from other financial institutions	—	1,380,000,000.00
Net increase in placements with other financial institutions	—	—
Net increase in financial assets purchased under resale agreements	—	—
Cash paid for interest, fees and commissions	3,619,458,213.92	3,251,455,841.88
Cash paid to and paid for employees	2,370,855,798.38	1,825,672,771.79
Taxes paid	1,044,113,726.82	935,400,601.80
Cash paid relating to other operating activities	5,118,281,870.66	202,330,353.45
Subtotal of cash outflows from operating activities	33,634,618,252.83	23,039,915,927.14
Net cash flow from operating activities	2,855,625,401.47	13,677,634,866.20

Items	First quarter of 2021	First quarter of 2020
II. Cash flows from investing activities:		
Cash received from disposal of investments	10,929,018,368.93	775,319,604.03
Cash received from investment returns	921,285,085.47	252,709,730.95
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	309,225.66	—
Net cash received from disposal of subsidiaries and other business units	—	—
Cash received relating to other investing activities	1,023,607.76	90,229,452.62
Subtotal of cash inflows from investing activities	11,851,636,287.82	1,118,258,787.60
Cash paid for investments	3,494,641,642.36	2,595,321,363.62
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	275,331,927.64	205,740,049.92
Net cash paid for acquisition of subsidiaries and other business units	—	—
Cash paid relating to other investing activities	—	179,031,245.55
Subtotal of cash outflows from investing activities	3,769,973,570.00	2,980,092,659.09
Net cash flow from investing activities	8,081,662,717.82	-1,861,833,871.49
III. Cash flows from financing activities:		
Proceeds from investments	—	—
Of which: Cash contribution from minority interest to subsidiaries	—	—
Proceeds from borrowings	6,846,157,126.91	—
Proceeds from issuance of bonds	43,875,810,892.74	43,826,603,831.93
Cash received relating to other financing activities	413,940,800.00	—
Subtotal of cash inflows from financing activities	51,135,908,819.65	43,826,603,831.93
Cash repayments of borrowings	30,222,136,000.00	40,340,570,811.49
Cash paid for dividends, profits or interest	698,466,834.52	610,362,145.72
Of which: Dividends and profits paid to minority interest by subsidiaries	—	—
Cash repayments of lease liabilities	103,445,027.40	80,698,169.14
Cash paid relating to other financing activities	48,963,487.30	—
Subtotal of cash outflows from financing activities	31,073,011,349.22	41,031,631,126.35
Net cash flow from financing activities	20,062,897,470.43	2,794,972,705.58
IV. Effect of exchange rate changes on cash and cash equivalents	78,721,575.41	93,554,648.49
V. Net increase in cash and cash equivalents	31,078,907,165.13	14,704,328,348.78
Add: Balance of cash and cash equivalents at the beginning of the period	190,449,812,345.46	152,070,456,856.52
VI. Balance of cash and cash equivalents at the end of the period	221,528,719,510.59	166,774,785,205.30

Officer in charge
of the Company:
Zhang Wei

Officer in charge
of accounting:
Jiao Xiaoning

Head of accounting
department:
Fei Lei

Cash Flow Statement of the Parent Company
January to March 2021

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First quarter of 2021	First quarter of 2020
I. Cash flows from operating activities:		
Cash from sale of products and provision of services	—	—
Net increase in placements from other financial institutions	—	—
Net increase in disposal of trading financial assets	9,619,811,490.85	—
Cash received from interest, fees and commissions	5,235,046,270.66	5,546,697,811.67
Net increase in placements from other financial institutions	3,513,076,100.00	—
Net increase in cash from repurchase business	—	1,423,951,316.01
Net cash received from securities brokerage services	1,329,375,231.19	13,148,615,205.89
Cash received relating to other operating activities	3,814,443,528.37	3,500,486,577.14
Subtotal of cash inflows from operating activities	23,511,752,621.07	23,619,750,910.71
Net increase in margin loans	3,203,014,352.91	1,956,821,382.88
Net increase in financial assets held for trading purpose	—	7,320,085,125.38
Net increase in placements with other financial institutions	—	—
Net increase in financial assets purchased under resale agreements	—	—
Net decrease in cash from repurchase business	8,581,621,102.80	—
Net decrease in placements from other financial institutions	—	1,380,000,000.00
Cash paid for interest, fees and commissions	3,354,647,768.89	3,098,421,610.40
Cash paid to and paid for employees	811,599,838.07	615,781,134.98
Taxes paid	674,375,957.91	498,884,270.30
Cash paid relating to other operating activities	4,109,346,641.71	4,971,532,436.52
Subtotal of cash outflows from operating activities	20,734,605,662.29	19,841,525,960.46
Net cash flow from operating activities	2,777,146,958.78	3,778,224,950.25

Items	First quarter of 2021	First quarter of 2020
II. Cash flows from investing activities:		
Cash received from disposal of investments	10,000,000,000.00	—
Cash received from investment returns	857,873,043.24	159,792,685.40
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	—	—
Cash received relating to other investing activities	1,023,607.76	229,452.62
Subtotal of cash inflows from investing activities	10,858,896,651.00	160,022,138.02
Cash paid for investments	3,494,641,642.36	283,919,304.28
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	197,756,495.92	51,783,684.74
Cash paid relating to other investing activities	—	—
Subtotal of cash outflows from investing activities	3,692,398,138.28	335,702,989.02
Net cash flow from investing activities	7,166,498,512.72	-175,680,851.00
III. Cash flows from financing activities:		
Proceeds from investments	—	—
Proceeds from borrowings	—	—
Proceeds from issuance of bonds	42,699,668,083.11	41,296,078,113.21
Cash received relating to other financing activities	413,940,800.00	—
Subtotal of cash inflows from financing activities	43,113,608,883.11	41,296,078,113.21
Cash repayments of borrowings	30,314,656,000.00	40,242,660,000.00
Cash paid for dividends, profits or interest	625,844,520.06	595,344,867.60
Cash repayments of lease liabilities	51,847,790.74	45,158,176.60
Cash paid relating to other financing activities	48,963,487.30	—
Subtotal of cash outflows from financing activities	31,041,311,798.10	40,883,163,044.20
Net cash flow from financing activities	12,072,297,085.01	412,915,069.01
IV. Effect of exchange rate changes on cash and cash equivalents	-8,986,778.44	4,721,352.51
V. Net increase in cash and cash equivalents	22,006,955,778.07	4,020,180,520.77
Add: Balance of cash and cash equivalents at the beginning of the period	128,124,401,656.13	114,825,117,329.66
VI. Balance of cash and cash equivalents at the end of the period	150,131,357,434.20	118,845,297,850.43
Officer in charge of the Company: Zhang Wei	Officer in charge of accounting: Jiao Xiaoning	Head of accounting department: Fei Lei

4.2 Information on the adjustment to the relevant items in financial statements as at the beginning of the year as a result of the initial adoption of the new standards for lease since 2021

☐ Applicable ☒ Not applicable

4.3 Description of the retrospective adjustments to comparative data for the previous period arising from the initial adoption of the new standards for lease since 2021

☐ Applicable ☒ Not applicable

4.4 Audit Report

☐ Applicable ☒ Not applicable