中国银河证券股份有限公司
CHINA GALAXY SECURITIES CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 06881)

2022 FIRST QUARTERLY REPORT

This announcement is made by China Galaxy Securities Co., Ltd. (the "**Company**") pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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.

I. IMPORTANT NOTICE

1. The board of directors (the "**Board**"), the supervisory committee (the "**Supervisory Committee**"), and the directors (the "**Directors**"), the supervisors and the senior management officers of the Company warrant that the information contained in this quarterly report is true, accurate, and complete without any false information, misleading statements or material omissions, and accept joint and several legal responsibilities for the contents of this quarterly report.

2. Chen Gongyan, the person-in-charge of the Company, Xue Jun, the person-in-charge of accounting affairs, and Fan Minfei, the person-in-charge of the accounting department (head of accounting) warrant that the financial statements contained in this quarterly report are true, accurate and complete.

3. The 2022 first quarterly report of the Company has not been audited.

II. MAJOR FINANCIAL DATA

(I) Major Accounting Data and Financial Indicators

Unit: Yuan
Currency: RMB

Item	For the reporting period	Increase/Decrease for the reporting period as compared with the same period of last year (%)
Operating income	7,337,087,526.07	-3.20
Net profit attributable to shareholders of the Company	1,555,288,063.74	-21.65
Net profit attributable to shareholders of the Company excluding non-recurring gains or losses	1,549,008,499.89	-22.58
Net cash flow generated from operating activities	17,432,704,552.09	90.64
Basic earnings per share (Yuan/share)	0.14	-30.00
Diluted earnings per share (Yuan/share)	0.14	-30.00
Weighted average return on net asset (%)	1.64	Decreased by 0.93 percentage point

	As at the end of the reporting period	As at the end of last year	Increase/Decrease as at the end of the reporting period as compared with the end of last year (%)
Total assets	577,306,732,958.21	560,135,032,623.76	3.07
Owners' equity attributable to shareholders of the Company	101,477,343,287.46	98,955,798,424.87	2.55

(II) Non-recurring Gain or Loss Items and Amount

✔Applicable ☐Not Applicable

Unit: Yuan
Currency: RMB

Item	Amount for the current period	Note
Gains or losses on disposal of non-current assets	-245,009.83	Mainly refers to the gains or losses on disposal of fixed assets
Government subsidies included in the profit or loss for the current period (except for those closely associated with the normal operations of the Company which were granted on an on-going basis and accounted for in certain standard amount or volume in compliance with the requirements of the policies of the State)	10,075,000.00	Mainly refers to the non-operating income from government subsidies
Expenditure for donations	-20,000.00	Expenditure for donations
Other non-operating income and expenses save for the above items	-1,279,173.10	
Less: Effect of income tax	2,223,690.72	
Effect of non-controlling interests, after tax	27,562.50	
Total	6,279,563.85	

Explanation on the identification of non-recurring gain or loss items set out in the "Explanatory Announcement No. 1 on Information Disclosure for Companies Issuing Their Securities to the Public – Non-recurring Gain or Loss Items" as recurring gain or loss items

☐Applicable ✔Not Applicable

(III) Particulars of and Reasons for Changes in Major Accounting Data and Financial Indicators

✔Applicable ☐Not Applicable

Name of item	Changes (%)	Main reasons
Net profit attributable to shareholders of the Company	-21.65	Mainly due to the decrease in operating income and the increase in operating expenses for the reporting period
Net profit attributable to shareholders of the Company excluding non-recurring gains or losses	-22.58	Mainly due to the decrease in operating income and the increase in operating expenses for the reporting period
Basic earnings per share (Yuan/share)	-30.00	Mainly due to the decrease in net profit attributable to shareholders of the Company for the reporting period
Diluted earnings per share (Yuan/share)	-30.00	Mainly due to the decrease in net profit attributable to shareholders of the Company for the reporting period
Net cash flow generated from operating activities	90.64	Mainly attributable to the increase in net cash inflow from the disposal of financial assets held for trading, advances to customers, and net cash inflow from the repurchase business

Accounting Data of Major Items of the Consolidated Financial Statements

Unit: Yuan
Currency: RMB

Item	31 March 2022	31 December 2021	Changes (%)	Main reasons
Short-term financing payables	39,146,651,582.51	27,996,979,705.08	39.82	Increase in scale of short-term financing payables
Capital borrowed	9,843,474,008.16	16,127,940,543.20	-38.97	Decrease in scale of capital financed from margin and securities refinancing
Financial liabilities held for trading	22,837,651,580.06	16,583,935,089.21	37.71	Increase in scale of floating income certificates and bond financing
Derivative financial liabilities	2,996,946,606.80	4,647,303,893.40	-35.51	Fluctuations in fair value of derivative instruments
Tax payable	523,160,301.48	767,125,717.59	-31.80	Mainly due to the decrease in withholding tax payable
Accounts payable	7,962,372,112.95	5,301,303,947.49	50.20	Increase in settlement payable of overseas subsidiaries

Item	January to March 2022	January to March 2021	Changes (%)	Main reasons
Investment gains	837,950,183.75	1,758,000,983.66	-52.34	Decrease in investment gains on financial instruments
Gains from changes in fair value	-272,559,149.58	-402,926,472.78	32.36	Changes in valuation of financial instruments
Foreign exchange gains	9,586,380.63	21,180,499.45	-54.74	Effect of changes in foreign exchange rates
Gains on disposal of assets	-245,009.83	301,382.63	–	Decrease in gains on disposal of fixed assets
Impairment losses on credits	139,083,532.14	50,723,745.97	174.20	Increase in provisions for impairment losses on credits of financing business
Other asset impairment losses	-7,674,577.04	48,842,734.81	–	Decrease in inventory impairment losses of subsidiaries
Non-operating income	10,222,649.80	798,305.44	1,180.54	Increase in income from non-operating government subsidies
Non-operating expenses	1,446,822.90	38,064,523.59	-96.20	Decrease in provisions for accrued liabilities
Income tax expense	158,189,788.65	490,920,588.36	-67.78	Decrease in tax payable
Other comprehensive income (net of tax)	-83,610,916.86	-122,956,857.90	32.00	Changes in fair value of investments in other equity instruments and other debt investments
Net cash flow generated from operating activities	17,432,704,552.09	9,144,476,447.12	90.64	Mainly attributable to the increase in net cash inflow from the disposal of financial assets held for trading, advances to customers, and net cash inflow from the repurchase business
Net cash flow generated from investing activities	-23,404,561,129.90	-2,459,985,426.73	-851.41	Increase in net cash outflow from other debt investments and investments in other equity instruments
Net cash flow generated from financing activities	2,232,897,163.96	-5,769,509,283.35	–	Mainly attributable to the cash inflows from issuance of convertible corporate bonds and the decrease in cash outflows from debt repayment

III. INFORMATION OF THE SHAREHOLDERS

(I) Total Number of Ordinary Shareholders and the Number of Preferred Shareholders with Restored Voting Rights and the Shareholding of Top Ten Shareholders

Unit: share

Total number of ordinary shareholders as at the end of the reporting period *(Note 1)*	**95,686**	**Total number of preferred shareholders with restored voting rights as at the end of the reporting period (if any)**	**0**

Shareholding of Top Ten Shareholders

Name of shareholder	Nature of shareholder	Number of shares held	Percentage of shareholding (%)	Number of shares subject to selling restrictions	Pledged, marked or frozen	
					Status of shares	Number of shares
China Galaxy Financial Holdings Company Limited ("**Galaxy Financial Holdings**")	State-owned legal person	5,186,538,364	51.16	0	Nil	0
HKSCC Nominees Limited *(Note 2)*	Overseas legal person	3,688,342,546	36.38	0	Nil	0
China Securities Finance Corporation Limited	State-owned legal person	84,078,210	0.83	0	Nil	0
Hong Kong Securities Clearing Company Limited *(Note 3)*	Overseas legal person	76,675,338	0.76	0	Nil	0
Bank of Lanzhou Co., Ltd.	Domestic non-state-owned legal person	41,941,882	0.41	0	Nil	0
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	Others	26,622,583	0.26	0	Nil	0
Dajia Life Insurance Co., Ltd. – Universal Products (萬能產品)	Others	20,715,302	0.20	0	Nil	0
China Construction Bank Corporation – Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	Others	19,319,582	0.19	0	Nil	0
Jiaxing Highway Investment Co., Ltd.	State-owned legal person	11,497,828	0.11	0	Nil	0
Shanghai Huashi Asset Management Co., Ltd.	State-owned legal person	10,000,000	0.10	0	Nil	0

Shareholding of Top Ten Shareholders without Selling Restrictions

Name of shareholder	Number of outstanding shares without selling restrictions	Class and number of shares: Class of shares	Number of shares
Galaxy Financial Holdings	5,186,538,364	A shares	5,160,610,864
		H shares	25,927,500
HKSCC Nominees Limited (Note 2)	3,688,342,546	H shares	3,688,342,546
China Securities Finance Corporation Limited	84,078,210	A shares	84,078,210
Hong Kong Securities Clearing Company Limited (Note 3)	76,675,338	A shares	76,675,338
Bank of Lanzhou Co., Ltd.	41,941,882	A shares	41,941,882
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	26,622,583	A shares	26,622,583
Dajia Life Insurance Co., Ltd. – Universal Products (萬能產品)	20,715,302	A shares	20,715,302
China Construction Bank Corporation – Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	19,319,582	A shares	19,319,582
Jiaxing Highway Investment Co., Ltd.	11,497,828	A shares	11,497,828
Shanghai Huashi Asset Management Co., Ltd.	10,000,000	A shares	10,000,000

Description of the associated relationship of or action in concert among the aforesaid shareholders	The Company is not aware of any associated/connected relationship of or any parties acting in concert among the aforesaid shareholders. In particular, the shares held by HKSCC Nominees Limited are H shares entrusted by overseas investors; the shares held by Hong Kong Securities Clearing Company Limited are A shares held by overseas investors through Shanghai Stock Connect.
Description of the participation of top ten shareholders and top ten shareholders without selling restrictions in the margin financing and securities lending and margin and securities refinancing business (if any)	Nil

Note 1: As at the end of the reporting period, there are 95,686 shareholders of the Company, among which 95,007 are holders of A shares and 679 are registered holders of H shares.

Note 2: HKSCC Nominees Limited is the nominee holder of shares held by non-registered shareholders of the H shares of the Company, which held the H shares on behalf of various clients, including 25,927,500 H shares of the Company held by Galaxy Financial Holdings.

Note 3: Hong Kong Securities Clearing Company Limited is the nominee holder of the A shares of the Company held by the investors through Shanghai Stock Connect.

IV. OTHER REMINDERS

Other important information that needs to be brought to the attention of investors in relation to the Company's operation during the reporting period

✔Applicable ☐Not Applicable

1. Issuance of Convertible Corporate Bonds

In March 2022, the Company completed the issuance of A share convertible bonds. According to the arrangement for the issuance, a total of 78 million A share convertible bonds were issued at par value of RMB100 each with an aggregate amount of RMB7.8 billion. The A share convertible bonds were issued for a term of six years from the date of issuance, which is from 24 March 2022 to 23 March 2028, with the coupon rates of 0.2% for the first year, 0.4% for the second year, 0.6% for the third year, 1.0% for the fourth year, 1.8% for the fifth year and 2.0% for the sixth year, respectively. The conversion period of the A share convertible bonds will start from the first trading day after the expiry of the six-month period from the date of issuance of the A share convertible bonds, and end on the maturity date of the A share convertible bonds, which is from 30 September 2022 to 23 March 2028 (postponed to the next business day if it falls on a statutory holiday or rest day and no interest payment will be accrued separately during the extended period).

The net proceeds from the issuance of A share convertible bonds, after deducting the issuance expenses, amounted to approximately RMB7.735 billion, which are intended to be utilized for the development of investment trading business, capital intermediary business, capital increase in investment banking business and replenishment of other working capital of the Company, and will be used to replenish the capital of the Company in accordance with relevant regulatory requirements after the conversion of A share convertible bonds. For details, please refer to the relevant announcements published by the Company on designated media during the period in which the A share convertible bonds were issued.

2. **Appointment of the Chairman of the Supervisory Committee and Nomination of a Supervisor**

(1) On 27 January 2022, the "Proposal for the Election of Ms. Qu Yanping as the Chairman of the Fourth Session of the Supervisory Committee of China Galaxy Securities Co., Ltd." was considered and approved at the 2022 second extraordinary meeting of the fourth session of the Supervisory Committee of the Company, pursuant to which Ms. Qu Yanping was elected as the chairman of the fourth session of the Supervisory Committee of the Company.

(2) On 30 March 2022, the "Proposal for the Recommendation of Candidate for Shareholder Representative Supervisor of the Fourth Session of the Supervisory Committee of China Galaxy Securities Co., Ltd." was considered and approved at the first meeting (regular) of the fourth session of the Supervisory Committee of the Company, pursuant to which Mr. Wei Guoqiang was nominated as a candidate for supervisor of the fourth session of the Supervisory Committee of the Company, and the proposal will be submitted to the general meeting for shareholders' consideration and approval.

3. **Changes in Senior Management Officers**

(1) On 30 March 2022, the "Proposal for the Appointment of Mr. Luo Liming as the Vice President and a Member of the Executive Committee of the Company" was considered and approved at the sixth meeting (regular) of the fourth session of the Board of the Company, pursuant to which Mr. Luo Liming was appointed as the vice president and a member of the executive committee of the Company and ceased to be the business director of the Company, with effect from the date of the consideration and approval of this resolution.

(2) On 30 March 2022, the "Proposal for the Appointment of Mr. Du Pengfei as the Business Director and a Member of the Executive Committee of the Company" was considered and approved at the sixth meeting (regular) of the fourth session of the Board of the Company, pursuant to which Mr. Du Pengfei was appointed as the business director and a member of the executive committee of the Company, with effect from the date of the consideration and approval of this resolution.

V. QUARTERLY FINANCIAL STATEMENTS

(I) Types of Audit Opinion

☐Applicable ✔Not Applicable

(II) Financial Statements

Consolidated Balance Sheet

31 March 2022

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan
Currency: RMB
Type of audit: Unaudited

Item	31 March 2022	31 December 2021
Assets:		
Cash and bank balances	119,607,074,842.47	113,938,328,461.65
Including: Cash held on behalf of customers	98,980,090,512.27	100,487,945,980.45
Clearing settlement funds	29,638,753,013.31	32,294,040,054.31
Including: Customer settlement funds	21,429,222,227.30	24,625,625,193.76
Advances to customers	91,098,727,163.43	98,193,766,693.17
Derivative financial assets	2,241,818,096.26	1,945,906,850.18
Refundable deposits	13,777,181,290.31	11,716,189,713.22
Accounts receivable	11,091,538,058.79	10,150,724,670.90
Financial assets held under resale agreements	20,675,303,740.64	21,975,081,109.26
Financial investments:		
Financial assets held for trading	137,413,438,758.98	135,642,907,219.60
Debt investments	4,309,502,825.81	5,269,449,052.82
Other debt investments	98,299,470,489.14	81,232,918,495.83
Investments in other equity instruments	36,411,427,748.02	34,684,602,915.63
Long-term equity investments	36,587,796.95	30,249,877.00
Investment properties	7,591,725.00	7,640,887.50
Fixed assets	478,616,299.07	442,453,183.68
Right-of-use assets	1,519,009,567.96	1,570,778,877.64
Intangible assets	697,531,906.20	704,814,160.40
Goodwill	1,000,499,100.85	1,008,712,725.20
Deferred tax assets	153,642,099.90	168,264,753.51
Other assets	8,849,018,435.12	9,158,202,922.26
Total assets	577,306,732,958.21	560,135,032,623.76

Item	31 March 2022	31 December 2021
Liabilities:		
Short-term borrowings	7,938,596,232.39	7,926,244,079.30
Short-term financing payables	39,146,651,582.51	27,996,979,705.08
Capital borrowed	9,843,474,008.16	16,127,940,543.20
Financial liabilities held for trading	22,837,651,580.06	16,583,935,089.21
Derivative financial liabilities	2,996,946,606.80	4,647,303,893.40
Financial assets sold under repurchase agreements	150,403,032,553.42	134,603,887,848.16
Accounts payable to brokerage customers	124,438,402,356.32	128,400,821,042.31
Funds payable to securities issuers	–	–
Employee remuneration payable	4,069,248,751.06	4,906,772,571.75
Tax payable	523,160,301.48	767,125,717.59
Accounts payable	7,962,372,112.95	5,301,303,947.49
Bonds payable	78,978,301,872.27	87,384,959,696.74
Including: Preferred shares	–	–
Perpetual bonds	–	–
Lease liabilities	1,543,207,913.91	1,578,802,764.48
Deferred tax liabilities	1,236,090,213.10	1,138,783,654.80
Other liabilities	23,889,992,082.79	23,792,120,891.50
Total Liabilities	475,807,128,167.22	461,156,981,445.01
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	10,137,258,757.00	10,137,258,757.00
Other equity instruments	15,935,718,659.15	14,885,850,943.44
Including: Preference shares	–	–
Perpetual bonds	14,885,850,943.44	14,885,850,943.44
Capital reserve	25,051,469,662.73	25,051,469,662.73
Less: Treasury stocks	–	–
Other comprehensive income	702,509,295.98	797,238,628.57
Surplus reserve	7,732,341,274.17	7,732,341,274.17
General risk reserve	13,606,842,622.94	13,601,538,103.99
Retained earnings	28,311,203,015.49	26,750,101,054.97
Total owners' equity (or shareholders' equity) attributable to the parent company	101,477,343,287.46	98,955,798,424.87

Item	31 March 2022	31 December 2021
Non-controlling interests	22,261,503.53	22,252,753.88
Total owners' equity (or shareholders' equity)	101,499,604,790.99	98,978,051,178.75
Total liabilities and owners' equity (or shareholders' equity)	577,306,732,958.21	560,135,032,623.76

Person-in-charge of the Company: Chen Gongyan	Person-in-charge of accounting affairs: Xue Jun	Person-in-charge of the accounting department: Fan Minfei

Consolidated Statement of Profit or Loss

January to March 2022

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan
Currency: RMB
Type of audit: Unaudited

Item	First quarter of 2022	First quarter of 2021
I. Total operating income	7,337,087,526.07	7,579,622,186.24
Net interest income	1,299,038,449.96	1,256,625,823.86
Including: Interest income	3,550,356,397.32	3,137,946,981.84
Interest expenses	2,251,317,947.36	1,881,321,157.98
Net handling fee and commission income	2,055,847,846.74	2,117,632,025.34
Including: Net handling fee income from brokerage business	1,784,577,821.73	1,877,000,751.45
Net handling fee income from investment banking business	121,509,806.46	102,070,005.81
Net handling fee income from asset management business	121,961,275.56	127,162,480.62
Investment gains (losses presented by "-")	837,950,183.75	1,758,000,983.66
Including: Gains from investment in associates and joint ventures	-162,080.04	19,723,208.51
Gains from derecognition of financial assets measured at amortisation costs (losses presented by "-")	19,049,623.76	–
Other income	38,980,718.50	38,398,164.50
Gains from changes in fair value (losses presented by "-")	-272,559,149.58	-402,926,472.78
Foreign exchange gains (losses presented by "-")	9,586,380.63	21,180,499.45
Other operating income	3,368,488,105.90	2,790,409,779.58
Gains on disposal of assets (losses presented by "-")	-245,009.83	301,382.63

Item	First quarter of 2022	First quarter of 2021
II. Total operating expenses	5,632,376,750.93	5,049,405,491.01
Taxes and surcharges	34,278,608.65	33,485,481.48
General and administrative expenses	2,102,388,390.21	2,252,100,216.41
Impairment losses on credits	139,083,532.14	50,723,745.97
Other asset impairment losses	-7,674,577.04	48,842,734.81
Other operating expenses	3,364,300,796.97	2,664,253,312.34
III. Operating profits (losses presented by "-")	1,704,710,775.14	2,530,216,695.23
Add: Non–operating income	10,222,649.80	798,305.44
Less: Non–operating expense	1,446,822.90	38,064,523.59
IV. Total profits (losses presented by "-")	1,713,486,602.04	2,492,950,477.08
Less: Income tax expense	158,189,788.65	490,920,588.36
V. Net profit (net loss presented by "-")	1,555,296,813.39	2,002,029,888.72
(I) Categorized by operation continuity		
1. Net profit from continuing operations (net loss presented by "-")	1,555,296,813.39	2,002,029,888.72
2. Net profit from discontinued operations (net loss presented by "-")	–	–
(II) Categorized by ownership		
1. Net profit attributable to shareholders of the parent company (net loss presented by "-")	1,555,288,063.74	1,985,123,766.89
2. Profit or loss attributable to non-controlling shareholders (net loss presented by "-")	8,749.65	16,906,121.83
VI. Other comprehensive income (net of tax)	-83,610,916.86	-122,956,857.90
Other comprehensive income attributable to owners of the parent company (net of tax)	-83,610,916.86	-118,929,358.89
(I) Other comprehensive income that may not be reclassified into profit or loss	40,978,848.54	-92,051,304.15
1. Changes arising from remeasurement of defined benefit plan	2,849,065.23	–
2. Other comprehensive income that may not be transferred into profit or loss under equity method	–	–
3. Changes in fair value of investments in other equity instruments	38,129,783.31	-92,051,304.15
4. Changes in fair value due to enterprise's own credit risk	–	–

Item	First quarter of 2022	First quarter of 2021
(II) Other comprehensive income that will be reclassified into profit or loss	-124,589,765.40	-26,878,054.74
1. Other comprehensive income that can be transferred into profit or loss under equity method	54,908.28	–
2. Changes in fair value of other debt investments	-83,483,335.57	-24,884,777.57
3. Amount of financial assets reclassified into other comprehensive income	–	–
4. Credit loss provisions for other debt investments	5,286,023.66	4,173,502.78
5. Cash flow hedge reserve	-204,090.32	–
6. Exchange differences on translation of foreign currency financial statements	-46,243,271.45	-6,166,779.95
7. Others	–	–
Other comprehensive income attributable to non-controlling interests (net of tax)	–	-4,027,499.01
VII. Total comprehensive income	1,471,685,896.53	1,879,073,030.82
Total comprehensive income attributable to owners of the parent company	1,471,677,146.88	1,866,194,408.00
Total comprehensive income attributable to non-controlling interests	8,749.65	12,878,622.82
VIII. Earnings per share:		
(I) Basic earnings per share (Yuan/share)	0.14	0.20
(II) Diluted earnings per share (Yuan/share)	0.14	0.20

Person-in-charge of the Company:	Person-in-charge of accounting affairs:	Person-in-charge of the accounting department:
Chen Gongyan	Xue Jun	Fan Minfei

Consolidated Statement of Cash Flows
January to March 2022
Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan
Currency: RMB
Type of audit: Unaudited

Item	First quarter of 2022	First quarter of 2021
I. Cash flows generated from operating activities:		
Net decrease in financial assets and liabilities held for trading and derivative financial instruments	2,012,130,442.96	–
Cash received from interests, handling fees and commission	5,542,876,253.28	6,523,106,911.02
Net increase in proceeds from repurchase business	17,127,306,474.26	15,390,740,400.80
Net decrease in advances to customers	7,138,877,755.26	–
Net cash received from brokerage customers	–	3,100,216,257.06
Cash received from other operating activities	4,421,138,399.35	10,599,967,691.14
Sub-total of cash inflows from operating activities	36,242,329,325.11	35,614,031,260.02
Net increase in financial assets and liabilities held for trading and derivative financial instruments	–	10,732,627,383.88
Cash for the payment of interests, handling fees and commission	320,164,217.42	2,058,645,496.61
Net decrease in capital borrowed	6,275,000,000.00	1,050,000,000.00
Net increase in advances to customers	–	1,329,220,370.89
Net decrease in cash from brokerage customers	3,963,443,325.61	–
Cash paid to and for employees	2,573,665,240.30	2,136,191,909.65
Cash paid for various taxes	583,380,494.59	660,095,154.22
Cash paid for other operating activities	5,093,971,495.10	8,502,774,497.65
Sub-total of cash outflows from operating activities	18,809,624,773.02	26,469,554,812.90
Net cash flow generated from operating activities	17,432,704,552.09	9,144,476,447.12

Item	First quarter of 2022	First quarter of 2021
II. Net cash flow generated from investing activities:		
Cash received from realized investment gains	1,110,190,529.47	1,103,514,445.09
Net decrease in debt investments	960,807,211.98	336,824,478.03
Net cash received from disposal of fixed assets, intangible assets and other longterm assets	150,657.25	934,846.41
Net decrease in investments in other equity instruments	–	5,656,959,046.40
Cash received from other investing activities	464,675,552.50	2,552,081,500.00
Sub-total of cash inflows from investing activities	2,535,823,951.20	9,650,314,315.93
Cash paid for investments	6,500,000.00	78,964,212.45
Net increase in other debt investments	16,870,812,753.36	5,624,799,570.55
Net increase in investments in other equity instruments	1,690,215,251.47	–
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	130,841,334.92	119,796,036.61
Cash paid for other investing activities	7,242,015,741.35	6,286,739,923.05
Sub-total of cash outflows from investing activities	25,940,385,081.10	12,110,299,742.66
Net cash flow generated from investing activities	-23,404,561,129.90	-2,459,985,426.73

Item	First quarter of 2022	First quarter of 2021
III. Cash flows generated from financing activities:		
Cash received from issuance of perpetual bonds	–	4,962,264,150.94
Cash received from borrowings	15,025,753.39	355,509,191.62
Cash received from issuance of bonds payable and long-term beneficiary certificates	5,420,910,000.00	9,476,470,000.00
Cash received from issuance of short-term commercial papers and short-term beneficiary certificates	20,888,480,000.00	18,885,020,000.00
Cash received from issuance of convertible corporate bonds	7,744,170,923.40	–
Cash received from other financing activities	–	–
Sub-total of cash inflows from financing activities	34,068,586,676.79	33,679,263,342.56
Cash paid for debt repayment	29,779,680,000.00	37,440,760,000.00
Cash paid for dividend and profit distribution or interest payment	1,659,722,766.98	1,757,531,210.00
Including: Dividend and profits paid by subsidiaries to non-controlling shareholders	–	–
Cash paid for consolidation of structured entities	212,069,631.67	71,356,195.83
Cash paid for other financing activities	184,217,114.18	179,125,220.08
Sub-total of cash outflows from financing activities	31,835,689,512.83	39,448,772,625.91
Net cash flow generated from financing activities	2,232,897,163.96	-5,769,509,283.35
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-48,190,281.80	13,076,740.49
V. Net increase in cash and cash equivalents	-3,787,149,695.65	928,058,477.53
Add: Balance of cash and cash equivalents at the beginning of the period	122,515,013,386.31	94,127,262,119.01
VI. Balance of cash and cash equivalents at the end of the period	118,727,863,690.66	95,055,320,596.54

Person-in-charge of the Company: Chen Gongyan	Person-in-charge of accounting affairs: Xue Jun	Person-in-charge of the accounting department: Fan Minfei

Balance Sheet of the Parent Company

31 March 2022

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan
Currency: RMB
Type of audit: Unaudited

Item	31 March 2022	31 December 2021
Assets:		
Cash and bank balances	80,634,972,254.18	69,248,530,843.82
Including: Cash held on behalf of customers	66,968,595,297.08	62,353,820,579.19
Clearing settlement funds	18,832,884,230.70	23,661,119,796.79
Including: Customer settlement funds	10,938,181,419.67	15,997,668,610.24
Advances to customers	86,177,514,430.92	93,188,855,976.06
Derivative financial assets	1,713,293,429.61	1,659,477,186.71
Refundable deposits	2,669,786,158.49	1,996,999,881.53
Accounts receivable	355,655,088.64	336,175,697.21
Financial assets held under resale agreements	19,958,414,417.57	21,606,167,493.63
Financial investments:		
Financial assets held for trading	119,175,895,250.98	116,713,556,940.98
Debt investments	2,602,469,389.18	3,596,167,752.86
Other debt investments	98,299,470,489.14	81,232,918,495.83
Investments in other equity instruments	36,411,300,517.47	34,684,475,396.77
Long-term equity investments	11,366,244,281.02	11,366,244,281.02
Fixed assets	385,815,470.50	358,201,677.79
Right-of-use assets	1,241,222,032.25	1,266,317,072.15
Intangible assets	511,329,008.63	518,509,412.34
Goodwill	223,277,619.51	223,277,619.51
Deferred tax assets	–	–
Other assets	12,477,029,094.34	11,702,236,562.04
Total assets	493,036,573,163.13	473,359,232,087.04

Item	31 March 2022	31 December 2021
Liabilities:		
Short-term financing payables	39,146,651,582.51	27,996,979,705.08
Capital borrowed	9,843,474,008.16	16,127,940,543.20
Financial liabilities held for trading	21,018,590,084.03	14,520,049,888.60
Derivative financial liabilities	2,523,429,164.25	3,051,763,324.75
Financial assets sold under repurchase agreements	149,326,530,978.26	133,704,089,714.82
Accounts payable to brokerage customers	78,141,603,571.62	78,597,550,609.75
Funds payable to securities issuers	–	–
Employee remuneration payable	3,377,560,836.68	3,937,705,721.24
Tax payable	204,891,126.41	463,538,939.76
Accounts payable	259,482,493.21	85,427,680.91
Bonds payable	78,978,301,872.27	87,384,959,696.74
Including: Preferred shares	–	–
Perpetual bonds	–	–
Lease liabilities	1,248,973,212.46	1,262,091,756.42
Deferred tax liabilities	1,063,702,727.22	946,734,714.18
Other liabilities	9,357,195,705.71	9,059,403,932.18
Total Liabilities	394,490,387,362.79	377,138,236,227.63

Item	31 March 2022	31 December 2021
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	10,137,258,757.00	10,137,258,757.00
Other equity instruments	15,935,718,659.15	14,885,850,943.44
Including: Preference shares	–	–
Perpetual bonds	14,885,850,943.44	14,885,850,943.44
Capital reserve	25,006,907,486.61	25,006,907,486.61
Less: Treasury stocks	–	–
Other comprehensive income	1,012,688,421.19	1,063,874,365.52
Surplus reserve	7,732,341,274.17	7,732,341,274.17
General risk reserve	13,014,415,150.86	13,014,415,150.86
Retained earnings	25,706,856,051.36	24,380,347,881.81
Total owners' equity (or shareholders' equity)	98,546,185,800.34	96,220,995,859.41
Total liabilities and owners' equity (or shareholders' equity)	493,036,573,163.13	473,359,232,087.04

Person-in-charge of the Company: Chen Gongyan

Person-in-charge of accounting affairs: Xue Jun

Person-in-charge of the accounting department: Fan Minfei

Statement of Profit or Loss of the Parent Company

January to March 2022

Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan
Currency: RMB
Type of audit: Unaudited

Item	First quarter of 2022	First quarter of 2021
I. Total operating income	2,890,690,167.96	3,791,715,611.96
Net interest income	1,020,937,046.23	965,529,586.51
Including: Interest income	3,063,415,899.35	2,727,298,671.65
Interest expenses	2,042,478,853.12	1,761,769,085.14
Net handling fee and commission income	1,609,540,314.55	1,645,185,676.05
Including: Net handling fee income from brokerage business	1,479,658,516.21	1,534,419,976.59
Net handling fee income from investment banking business	104,162,791.51	90,326,611.21
Net handling fee income from asset management business	–	–
Investment gains (losses presented by "-")	505,325,182.82	1,540,892,849.77
Including: Gains from investment in associates and joint ventures	–	–
Gains from derecognition of financial assets measured at amortisation costs (losses presented by "-")	18,848,431.98	–
Other income	36,200,041.80	33,947,378.90
Gains from changes in fair value (losses presented by "-")	-282,283,797.15	-398,460,854.81
Foreign exchange gains (losses presented by "-")	-500,648.34	2,703,464.41
Other operating income	1,329,898.57	1,601,735.76
Gains on disposal of assets (losses presented by "-")	142,129.48	315,775.37

Item		First quarter of 2022	First quarter of 2021
II.	**Total operating expenses**	1,533,652,005.79	1,647,845,319.99
	Taxes and surcharges	26,681,355.29	28,773,800.13
	General and administrative expenses	1,419,056,244.75	1,588,918,097.27
	Impairment losses on credits	87,914,405.75	30,153,422.59
	Other asset impairment losses	–	–
	Other operating expenses	–	–
III.	**Operating profits (losses presented by "-")**	1,357,038,162.17	2,143,870,291.97
	Add: Non–operating income	10,147,456.80	194,897.29
	Less: Non–operating expense	703,214.63	724,439.25
IV.	**Total profits (losses presented by "-")**	1,366,482,404.34	2,143,340,750.01
	Less: Income tax expense	51,092,650.52	390,297,590.18
V.	**Net profit (net loss presented by "-")**	1,315,389,753.82	1,753,043,159.83
	(I) Net profit from continuing operations (net loss presented by "-")	1,315,389,753.82	1,753,043,159.83
	(II) Net profit from discontinued operations (net loss presented by "-")	–	–

Item	First quarter of 2022	First quarter of 2021
VI. Other comprehensive income (net of tax)	-40,067,528.60	-112,762,578.94
(I) Other comprehensive income that may not be reclassified into profit or loss	38,129,783.31	-92,051,304.15
1. Changes arising from remeasurement of defined benefit plan	–	–
2. Other comprehensive income that may not be transferred into profit or loss under equity method	–	–
3. Changes in fair value of investments in other equity instruments	38,129,783.31	-92,051,304.15
4. Changes in fair value due to enterprise's own credit risk	–	–
(II) Other comprehensive income that will be reclassified into profit or loss	-78,197,311.91	-20,711,274.79
1. Other comprehensive income that can be transferred into profit or loss under equity method	–	–
2. Changes in fair value of other debt investments	-83,483,335.57	-24,884,777.57
3. Amount of financial assets reclassified into other comprehensive income	–	–
4. Credit loss provisions for other debt investments	5,286,023.66	4,173,502.78
5. Cash flow hedge reserve	–	–
6. Exchange differences on translation of foreign currency financial statements	–	–
7. Others	–	–
VII. Total comprehensive income	1,275,322,225.22	1,640,280,580.89
VIII. Earnings per share:		
(I) Basic earnings per share (Yuan/share)	N/A	N/A
(II) Diluted earnings per share (Yuan/share)	N/A	N/A

Person-in-charge of the Company:	Person-in-charge of accounting affairs:	Person-in-charge of the accounting department:
Chen Gongyan	Xue Jun	Fan Minfei

Statement of Cash Flows of the Parent Company
January to March 2022
Prepared by: China Galaxy Securities Co., Ltd.

Unit: Yuan
Currency: RMB
Type of audit: Unaudited

Item	First quarter of 2022	First quarter of 2021
I. Cash flows generated from operating activities:		
Net decrease in financial assets and liabilities held for trading and derivative financial instruments	2,616,700,074.22	–
Cash received from interests, handling fees and commission	4,530,151,472.30	4,966,124,747.11
Net increase in proceeds from repurchase business	17,297,634,110.92	14,277,454,265.53
Net decrease in advances to customers	7,036,807,761.60	–
Cash received from other operating activities	801,437,276.95	3,170,722,236.83
Sub-total of cash inflows from operating activities	32,282,730,695.99	22,414,301,249.47
Net increase in financial assets and liabilities held for trading and derivative financial instruments	–	8,172,631,340.99
Cash for the payment of interests, handling fees and commission	1,121,587,079.21	1,344,073,037.55
Net decrease in capital borrowed	6,275,000,000.00	1,050,000,000.00
Net increase in advances to customers	–	819,926,450.20
Net decrease in cash from brokerage customers	456,971,677.75	837,746,143.47
Cash paid to and for employees	1,903,604,109.87	1,650,961,583.14
Cash paid for various taxes	449,720,765.87	506,892,692.17
Cash paid for other operating activities	1,244,095,402.88	2,103,547,773.62
Sub-total of cash outflows from operating activities	11,450,979,035.58	16,485,779,021.14
Net cash flow generated from operating activities	20,831,751,660.41	5,928,522,228.33

Item	First quarter of 2022	First quarter of 2021
II. Net cash flow generated from investing activities:		
Cash received from realized investment gains	874,740,781.78	966,551,919.71
Net decrease in debt investments	1,013,224,827.73	299,754,932.58
Net decrease in investments in other equity instruments	–	5,603,779,641.78
Net cash received from disposal of fixed assets, intangible assets and other longterm assets	150,657.25	573,722.41
Cash received from other investing activities	541,200.00	–
Sub-total of cash inflows from investing activities	1,888,657,466.76	6,870,660,216.48
Net increase in other debt investments	16,870,812,753.36	5,565,248,668.22
Net increase in investments in other equity instruments	1,690,215,845.36	–
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	113,653,905.45	60,193,204.43
Cash paid for other investing activities	57,015,741.35	45,247,488.86
Sub-total of cash outflows from investing activities	18,731,698,245.52	5,670,689,361.51
Net cash flow generated from investing activities	-16,843,040,778.76	1,199,970,854.97

Item	First quarter of 2022	First quarter of 2021
III. Cash flows generated from financing activities:		
Cash received from issuance of perpetual bonds	–	4,962,264,150.94
Cash received from issuance of long-term corporate bonds and long-term beneficiary certificates	5,420,910,000.00	9,476,470,000.00
Cash received from issuance of short-term corporate bonds and short-term beneficiary certificates	20,888,480,000.00	18,885,020,000.00
Cash received from issuance of convertible corporate bonds	7,744,170,923.40	–
Cash received from other financing activities	–	–
Sub-total of cash inflows from financing activities	34,053,560,923.40	33,323,754,150.94
Cash paid for debt repayment	29,779,680,000.00	37,440,760,000.00
Cash paid for dividend and profit distribution or interest payment	1,565,444,592.41	1,654,757,993.96
Cash paid for other financing activities	158,328,200.29	150,650,250.60
Sub-total of cash outflows from financing activities	31,503,452,792.70	39,246,168,244.56
Net cash flow generated from financing activities	2,550,108,130.70	-5,922,414,093.62
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-7,801,015.87	8,618,258.18
V. Net increase in cash and cash equivalents	6,531,017,996.48	1,214,697,247.86
Add: Balance of cash and cash equivalents at the beginning of the period	92,665,663,016.82	83,884,900,779.60
VI. Balance of cash and cash equivalents at the end of the period	99,196,681,013.30	85,099,598,027.46

Person-in-charge of the Company:	Person-in-charge of accounting affairs:	Person-in-charge of the accounting department:
Chen Gongyan	Xue Jun	Fan Minfei

INFORMATION RELATED TO THE FIRST IMPLEMENTATION OF THE NEW ACCOUNTING STANDARDS SINCE 2022 AND THE ADJUSTMENT TO THE FINANCIAL STATEMENTS AS AT THE BEGINNING OF THE YEAR IN WHICH THE FIRST IMPLEMENTATION IS EFFECTIVE

☐Applicable ✔Not Applicable

By order of the Board
China Galaxy Securities Co., Ltd.
CHEN Gongyan
Chairman and Executive Director

Beijing, the PRC
29 April 2022

As at the date of this announcement, the executive Directors of the Company are Mr. CHEN Gongyan (Chairman) and Mr. CHEN Liang (Vice Chairman and President); the non-executive Directors are Mr. LIU Dingping, Mr. YANG Tijun, Ms. LIU Chang, Mr. LIU Zhihong and Mr. JIANG Yuesheng; and the independent non-executive Directors are Mr. LIU Ruizhong, Mr. WANG Zhenjun, Ms. LIU Chun and Mr. LAW Cheuk Kin Stephen.