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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 2023

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, 2023, 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 2023” 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 “华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”	State-owned Assets Supervision and Administration Commission of Jiangsu Provincial Government (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, 2023 to March 31, 2023
“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 28, 2023

As at the date of this announcement, the Board comprises Mr. Zhang Wei, Mr. Zhou Yi and Ms. Yin Lihong as executive Directors; Mr. Ding Feng, Mr. Chen Zhongyang, Mr. Ke Xiang, Ms. Hu Xiao and Mr. Zhang Jinxin as non-executive Directors; and Mr. Wang Jianwen, Mr. Wang Quansheng, Mr. Peng Bing, Mr. Wang Bing and Mr. Tse Yung Hoi as independent non-executive Directors.

**HUATAI SECURITIES CO., LTD.
FIRST QUARTERLY REPORT OF 2023**

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IMPORTANT NOTICE

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 legal liabilities to the information contained herein.

The officer in charge of the Company, officer in charge of accounting, and officer in charge of the accounting office of the Company (head of accounting department), hereby guarantee that the financial information contained in this quarterly report is true, accurate and complete.

Whether the first quarterly financial statements have been audited

☐ Yes ☒ No

I. KEY FINANCIAL DATA

(I) Key accounting data and financial indicators

Unit: Yuan Currency: RMB				
Items	The Reporting Period	The corresponding period of the previous year		Change (%) for the Reporting Period as compared to the corresponding period of the previous year
		Before adjustment	After adjustment	
Operating revenue	8,993,372,542.39	7,244,375,059.60	7,244,375,059.60	24.14
Net profit attributable to the shareholders of the listed Company	3,245,035,653.53	2,214,329,655.76	2,215,141,946.04	46.49
Net profit attributable to the shareholders of the listed Company excluding extraordinary gains and losses	3,160,586,553.71	2,172,172,527.14	2,172,984,817.42	45.45
Net cash flow generated from operating activities	-37,755,343,658.31	11,728,028,968.54	11,728,028,968.54	N/A
Basic earnings per share (RMB/share)	0.35	0.24	0.24	45.83
Diluted earnings per share (RMB/share)	0.35	0.24	0.24	45.83
Weighted average return on net assets (%)	1.86	1.41	1.41	Increased by 0.45 percentage point

	As of the end of the Reporting Period	As of the end of the previous year Before adjustment	After adjustment	Change (%) as of the end of the Reporting Period as compared to the end of the previous year After adjustment
Total assets	853,201,152,278.60	846,567,015,810.33	846,570,989,585.00	0.78
Owners' equity attributable to the shareholders of the listed Company	168,164,579,071.36	165,087,200,788.97	165,095,101,823.43	1.86

Reason for retrospective adjustment or restatement

Pursuant to the requirements under Article 1 of the Notice on Issue of the Enterprise Accounting Standards Interpretation No. 16 (Caikuai [2022] No. 31) (《關於印發<企業會計準則解釋第16號>的通知》(財會[2022]31號)) issued by the Ministry of Finance on November 30, 2022, the Company has changed its accounting policies from January 1, 2023 and made retrospective adjustments to the accounting statements for previous years. For details, please refer to the Announcement on Change in Accounting Policies of Huatai Securities Co., Ltd. disclosed on the same date of this report.

(II) Items and amount of extraordinary gains and losses

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Items	Amount for the Reporting Period
Gains or losses on disposal of non-current assets	-1,488.27
Government grants included in current profit or loss (other than on-going government grants which are closely related to the Company's normal operation, meet the requirements of government policies and are subject to certain limits and conditions)	83,498,174.08
Other non-operating income and expenses apart from the aforesaid items	29,116,442.28
Other gains or losses items within the definition of extraordinary gains and losses	—
Less: Effect of income tax	28,124,755.25
Effect of minority interests (after tax)	39,273.02
Total	<u>84,449,099.82</u>

Description of non-recurring gains or losses items as illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No. 1 – Non-recurring Gains or Losses defined as its recurring gains or losses items

☐ Applicable ☒ Not applicable

(III) Details and reasons for changes in key accounting data and financial indicators

√ Applicable □ Not applicable

Items	Change percentage (%)	Main reasons
Net profit attributable to the shareholders of the listed Company	46.49	Mainly due to the increase in operating revenue during the Reporting Period
Net profit attributable to the shareholders of the listed Company excluding extraordinary gains and losses	45.45	Mainly due to the increase in operating revenue during the Reporting Period
Net cash flow generated from operating activities	N/A	Mainly due to the decrease in net placements from other financial institutions
Basic earnings per share (RMB/share)	45.83	Mainly due to the increase of the net profit attributable to the shareholders of the listed Company
Diluted earnings per share (RMB/share)	45.83	Mainly due to the increase of the net profit attributable to the shareholders of the listed Company

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 (%)	Reasons for change
Financial assets held under resale agreements	12,926,836,675.99	34,824,221,391.64	-62.88	Mainly due to the decrease in scale of reverse repurchase of bonds
Other debt investments	14,749,647,019.85	10,504,379,072.24	40.41	Mainly due to the increase in scale of bond investments classified as other debt investments
Construction in progress	270,270,900.67	195,750,312.31	38.07	Mainly due to the increase in investments in construction projects
Placements from other financial institutions	10,342,824,767.13	25,877,713,063.31	-60.03	Mainly due to the decrease in scale of placements from banks

Income statement items	Beginning of the year to the end of the Reporting Period (January to March)	Beginning of the previous year to the end of the Reporting Period in the previous year (January to March)	Change (%)	Reasons for change
Net interest income	299,814,903.98	806,077,987.46	-62.81	Mainly due to the increase in financing costs of subsidiaries
Investment gains	6,319,462,816.29	-1,195,888,656.89	N/A	Mainly due to the increase in realized gains of financial instruments
Other gains	83,498,174.08	60,751,065.69	37.44	Mainly due to the increase in tax refund
Gains from change in fair value	-932,620,922.16	2,942,453,637.85	N/A	Mainly due to the decrease in variable gains of financial instruments
Foreign exchange gains	-572,690,590.52	-138,637,845.49	N/A	Mainly due to the fluctuations of foreign exchange rates
Other business income	156,549,441.95	1,001,671,380.09	-84.37	Mainly due to the decrease in sales scale of commodities
Business and administrative expenses	4,736,437,316.96	3,634,331,698.47	30.32	Mainly due to the increase in operating costs
Credit impairment loss	-88,979,095.47	-182,606,755.44	N/A	Mainly due to the decrease in reversal of credit impairment loss
Other business costs	126,761,451.50	977,670,091.28	-87.03	Mainly due to the decrease in sales scale of commodities
Non-operating income	30,883,318.04	243,643.62	12,575.61	Mainly due to the increase in compensation received

II. INFORMATION ON SHAREHOLDERS

(I) Total number of shareholders of ordinary shares and number of shareholders of preferred shares with voting rights restored and shareholding of the top ten shareholders

Unit: Share

Total number of shareholders of ordinary shares as of the end of the Reporting Period	279,143	Total number of shareholders of preferred shares with voting rights restored as of the end of the Reporting Period (if any)	-
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Shareholding of top ten shareholders						
Name of shareholder	Nature of shareholder	Number of shares held	Percentage (%)	Number of shares held subject to selling restrictions	Pledged, marked or frozen shares Status of shares	Number of shares
Jiangsu Guoxin Investment Group Limited	State-owned legal person	1,373,481,636	15.13	-	Nil	-
HKSCC Nominees Limited	Foreign legal person	1,266,005,318	13.95	-	Nil	-
Jiangsu Communications Holding Co., Ltd.	State-owned legal person	489,065,418	5.39	-	Nil	-
Govtor Capital Group Co., Ltd.	State-owned legal person	356,173,206	3.92	-	Nil	-
Jiangsu SOHO Holdings Group Co., Ltd.	State-owned legal person	283,264,288	3.12	-	Nil	-
Alibaba (China) Technology Co., Ltd.	Domestic non-state-owned legal person	268,199,233	2.96	-	Nil	-
Hong Kong Securities Clearing Company Limited	Foreign legal person	212,455,235	2.34	-	Nil	-
China Securities Finance Corporation Limited	Unknown	152,906,738	1.68	-	Nil	-
Jiangsu SOHO International Group Corp.	State-owned legal person	137,838,367	1.52	-	Nil	-
Jiangsu Hiteker High-tech Co., Ltd.	Domestic non-state-owned legal person	123,169,146	1.36	-	Unknown	123,169,146

Shareholding of top ten shareholders not subject to selling restrictions

Name of shareholder	Number of tradable shares held not subject to selling restrictions	Class and number of shares	
		Class of shares	Number
Jiangsu Guoxin Investment Group Limited	1,373,481,636	Ordinary shares in RMB	1,271,072,836
		Overseas listed foreign shares	102,408,800
HKSCC Nominees Limited	1,266,005,318	Overseas listed foreign shares	1,266,005,318
Jiangsu Communications Holding Co., Ltd.	489,065,418	Ordinary shares in RMB	452,065,418
		Overseas listed foreign shares	37,000,000
Govtor Capital Group Co., Ltd.	356,173,206	Ordinary shares in RMB	341,968,006
		Overseas listed foreign shares	14,205,200
Jiangsu SOHO Holdings Group Co., Ltd.	283,264,288	Ordinary shares in RMB	81,851,288
		Overseas listed foreign shares	201,413,000
Alibaba (China) Technology Co., Ltd.	268,199,233	Ordinary shares in RMB	268,199,233
Hong Kong Securities Clearing Company Limited	212,455,235	Ordinary shares in RMB	212,455,235
China Securities Finance Corporation Limited	152,906,738	Ordinary shares in RMB	152,906,738
Jiangsu SOHO International Group Corp.	137,838,367	Ordinary shares in RMB	43,132,567
		Overseas listed foreign shares	94,705,800
Jiangsu Hiteker High-tech Co., Ltd.	123,169,146	Ordinary shares in RMB	123,169,146

Description of the related party relationship or action in concert between the above shareholders

Jiangsu Guoxin Investment Group Limited, Jiangsu Communications Holding Co., Ltd., Govtor Capital Group Co., Ltd. and Jiangsu SOHO Holdings Group Co., Ltd. are wholly-owned by Jiangsu SASAC. Jiangsu SOHO Holdings Group Co., Ltd. is a controlling shareholder of Jiangsu SOHO International Group Corp. Apart from the above, the Company is not aware of any related party relationship among other shareholders or whether such shareholders are parties acting in concert as specified in the Regulations on the Takeover of Listed Companies.

Description of the participation of the top ten shareholders and the top ten shareholders not subject to selling restrictions in the margin financing and securities lending and refinancing businesses (if any)

As of the end of the Reporting Period, 60,000 A Shares held by Govtor Capital Group Co., Ltd. remained outstanding due to refinancing. When fully repaid, it's actual shareholding in the Company will be 342,028,006 A Shares and 14,205,200 H Shares, representing 3.93% of the total share capital of the Company.

- Notes: 1. The class of shareholders of ordinary shares in RMB (A Shares) represents the class of accounts held by shareholders registered with Shanghai Branch of China Securities Depository and Clearing Corporation Limited.
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 of the end of the Reporting Period, Jiangsu Guoxin Investment Group Limited, Jiangsu Communications Holding Co., Ltd., Govtor Capital Group Co., Ltd., Jiangsu SOHO Holdings Group Co., Ltd. and Jiangsu SOHO International Group Corp. acquired, via Stock Connect's Southbound Trading, 102,408,800, 37,000,000, 14,205,200, 201,413,000 and 94,705,800 H Shares of the Company, respectively, which are also being held by HKSCC Nominees Limited. These shares 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 1,715,738,118 shares, representing 18.90% of the total share capital of the Company.

3. Hong Kong Securities Clearing Company Limited is a nominal holder of A Shares of the Company held by the investors in Northbound Trading under Shanghai-Hong Kong Stock Connect.
4. Citibank, National Association is the depository of the Company's GDRs, and the domestic underlying A Shares represented by the GDRs are legally registered under its name. According to the statistics provided by the depository, the Company had a total of 148,779 GDRs in the duration period as of the end of the Reporting Period, accounting for 0.18% of the approved number for issuance by the CSRC.
5. Among the total number of shareholders of ordinary shares as of the end of the Reporting Period, the number of shareholders of A Shares amounted to 272,063 and the number of registered shareholders of H Shares amounted to 7,080.

III. OTHER REMINDERS

Other important information about the Company's operating conditions during the Reporting Period which needs to be brought to the attention of investors

☒ Applicable ☐ Not applicable

1. During the Reporting Period, the Company received the No-objection Letter in Relation to Proprietary Participation in Carbon Emissions Trading by Huatai Securities Co., Ltd. (Ji Gou Bu Han [2023] No. 102) (《關於华泰證券股份有限公司自營參與碳排放權交易的無異議函》(機構部函[2023]102號)) from the CSRC. According to the no-objection letter, the CSRC had no objection to the proprietary participation in carbon emissions trading by the Company on domestic legal trading markets.
2. During the Reporting Period, the Company completed the change in industrial and commercial registration of its business scope and obtained the renewed business license issued by Jiangsu Provincial Market Regulation Administration. The changed business scope includes: licensed items: securities business; securities investment consultancies; sales of public offering securities investment funds; custody of securities investment fund (Projects that need to be approved by law shall be carried out upon approval by relevant authorities, and the specific business projects are subject to the approval results); general items: providing intermediary referrals by securities company for futures companies (Except for projects that need to be approved by law, business activities can be conducted independently with the business license in accordance with the laws).
3. During the Reporting Period, Huatai Purple Gold Investment Co., Ltd. (hereinafter referred to as "Huatai Purple Gold Investment"), a wholly-owned subsidiary of the Company, launched and established Nanjing Huatai Genscript Biomedicine Entrepreneurship and Investment Partnership (Limited Partnership) (南京華泰金斯瑞生物醫藥創業投資合夥企業(有限合夥)), with a total subscribed amount of RMB487.80 million. Huatai Purple Gold Investment, as a fund manager, an executive partner and a general partner, has contributed RMB97.56 million.
4. During the Reporting Period, the registered address of Huatai Innovative Investment Co., Ltd., a wholly-owned subsidiary of the Company, was changed from "Room 701-8 to 701-11, 7/F, Block 28, Fengsheng Hutong, Xicheng District, Beijing" to "No. 234 Wuyi Road, Changning District, Shanghai".
5. During the Reporting Period, Huatai International Financial Holdings Company Limited (hereinafter referred to as "Huatai International"), a wholly-owned subsidiary of the Company, established a wholly-owned subsidiary, namely HS Carbon Neutrality & Energy Transition Investment Limited, in Hong Kong.
6. During the Reporting Period, Huatai HK Investment (Cayman) Limited, a subsidiary of Huatai International, changed its name to Huatai International Private Equity Investment Management Limited.

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Type of audit opinions

☐ Applicable ☒ Not applicable

(II) Financial statements

Consolidated Balance Sheet

March 31, 2023

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	March 31, 2023	December 31, 2022
Assets:		
Monetary capital	152,322,198,780.83	155,611,751,475.45
Of which: Customer fund deposits	103,230,662,477.96	110,431,006,423.76
Clearing settlement funds	27,242,981,954.60	38,745,845,328.92
Of which: Settlement funds from customers	23,481,328,155.71	30,029,339,793.32
Precious metal	—	—
Placements with other financial institutions	—	—
Margin loans	105,752,204,060.56	100,648,374,713.73
Derivative financial assets	12,993,559,385.94	15,788,300,794.08
Refundable deposits	44,036,258,281.68	42,706,776,632.52
Receivables	8,378,798,728.79	7,804,340,649.41
Receivables financing	—	—
Contract assets	—	—
Financial assets held under resale agreements	12,926,836,675.99	34,824,221,391.64
Held-for-sale assets	—	—

Items	March 31, 2023	December 31, 2022
Financial investments:		
Trading financial assets	384,712,931,052.93	351,546,008,749.87
Debt investments	49,209,662,391.94	48,552,570,216.94
Other debt investments	14,749,647,019.85	10,504,379,072.24
Other equity instrument investments	246,004,243.82	241,586,793.58
Long-term equity investments	20,363,000,129.39	19,241,162,729.26
Investment properties	213,148,570.90	217,585,767.44
Fixed assets	4,553,190,077.73	4,681,670,244.49
Construction in progress	270,270,900.67	195,750,312.31
Right-of-use assets	1,507,503,956.67	1,409,962,145.45
Intangible assets	7,186,794,969.51	7,439,816,303.97
Goodwill	3,399,359,796.66	3,352,218,983.68
Deferred income tax assets	583,279,255.43	600,473,004.83
Other assets	2,553,522,044.71	2,458,194,275.19
	<hr/>	<hr/>
Total assets	<u>853,201,152,278.60</u>	<u>846,570,989,585.00</u>

Items	March 31, 2023	December 31, 2022
Liabilities:		
Short-term loans	9,113,534,848.03	7,997,434,369.44
Short-term margin loans	27,997,140,055.75	25,772,603,803.83
Placements from other financial institutions	10,342,824,767.13	25,877,713,063.31
Trading financial liabilities	46,659,133,592.26	48,575,558,959.92
Derivative financial liabilities	12,678,217,903.82	9,638,125,064.39
Financial assets sold under repurchase agreements	158,256,979,308.70	144,117,998,464.81
Securities brokerage services	143,987,003,833.57	152,551,723,234.45
Securities underwriting services	110,323,487.60	150,460,486.80
Employee benefits payables	12,940,834,954.19	11,892,625,022.61
Tax payables	1,056,729,089.25	999,459,547.41
Payables	103,846,843,517.95	105,297,640,231.52
Contract liabilities	213,159,590.87	218,942,583.42
Held-for-sale liabilities	—	—
Estimated liabilities	101,047.62	101,047.62
Long-term loans	624,268,245.04	804,902,959.53
Bonds payables	148,667,687,386.16	139,419,337,853.75
Of which: Preference shares	—	—
Perpetual bonds	—	—
Lease liabilities	1,595,332,465.48	1,518,585,619.09
Deferred income	—	—
Deferred income tax liabilities	2,329,654,128.57	2,199,928,166.60
Other liabilities	1,807,085,511.33	1,681,239,113.53
Total liabilities	<u>682,226,853,733.32</u>	<u>678,714,379,592.03</u>

Items	March 31, 2023	December 31, 2022
Owners' equity (or equity of shareholders):		
Paid up capital (or share capital)	9,075,589,027.00	9,075,589,027.00
Other equity instruments	19,200,000,000.00	19,200,000,000.00
Of which: Preference shares	—	—
Perpetual bonds	19,200,000,000.00	19,200,000,000.00
Capital reserve	70,528,862,135.94	70,482,060,067.29
Less: Treasury shares	1,202,324,401.85	1,202,324,401.85
Other comprehensive income	570,869,378.16	793,229,852.41
Surplus reserve	7,791,328,623.91	7,791,328,623.91
General risk provision	21,048,176,277.42	21,026,132,943.39
Undistributed profits	41,152,078,030.78	37,929,085,711.28
Total equity attributable to the owners (or equity of shareholders) of the parent company	168,164,579,071.36	165,095,101,823.43
Minority interest	2,809,719,473.92	2,761,508,169.54
Total owners' equity (or equity of shareholders)	<u>170,974,298,545.28</u>	<u>167,856,609,992.97</u>
 Total liabilities and owners' equity (or equity of shareholders)	 <u>853,201,152,278.60</u>	 <u>846,570,989,585.00</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 2023

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First quarter of 2023	First quarter of 2022
I. Total operating income	8,993,372,542.39	7,244,375,059.60
Net interest income	299,814,903.98	806,077,987.46
Of which: Interest income	3,554,030,371.14	3,498,150,690.36
Interest expenses	3,254,215,467.16	2,692,072,702.90
Net fee and commission income	3,639,360,207.04	3,767,930,967.55
Of which: Net fee income from brokerage business	1,532,873,464.22	1,778,986,722.97
Net fee income from investment banking business	779,456,120.60	913,624,899.55
Net fee income from asset management business	1,003,979,427.68	979,079,834.70
Investment gains (“-” indicating losses)	6,319,462,816.29	-1,195,888,656.89
Of which: Gains from investments in associates and joint ventures	809,380,956.92	-90,193,465.73
Gains from derecognition of financial assets measured at amortised cost (“-” indicating losses)	—	-37,587,409.15
Net exposure hedging gains (“-” indicating losses)	—	—
Other gains	83,498,174.08	60,751,065.69
Gains from change in fair value (“-” indicating losses)	-932,620,922.16	2,942,453,637.85
Foreign exchange gains (“-” indicating losses)	-572,690,590.52	-138,637,845.49
Other business income	156,549,441.95	1,001,671,380.09
Gain from disposal of assets (“-” indicating losses)	-1,488.27	16,523.34
II. Total operating expenses	4,822,478,421.66	4,478,898,221.21
Tax and surcharges	48,258,748.67	49,503,186.90
Business and administrative expenses	4,736,437,316.96	3,634,331,698.47
Credit impairment loss	-88,979,095.47	-182,606,755.44
Other asset impairment loss	—	—
Other business costs	126,761,451.50	977,670,091.28

Items	First quarter of 2023	First quarter of 2022
III. Operating profit (“-” indicating losses)	4,170,894,120.73	2,765,476,838.39
Add: Non-operating income	30,883,318.04	243,643.62
Less: Non-operating expenses	1,766,875.76	4,699,989.63
IV. Total profit (“-” indicating total losses)	4,200,010,563.01	2,761,020,492.38
Less: Income tax expenses	889,083,761.96	461,846,693.73
V. Net profit (“-” indicating net losses)	3,310,926,801.05	2,299,173,798.65
(I) Classified by continuity of operations		
1. Net profit from continuing operations (“-” indicating net losses)	3,310,926,801.05	2,299,173,798.65
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)	3,245,035,653.53	2,215,141,946.04
2. Profit or loss of minority interest (“-” indicating net losses)	65,891,147.52	84,031,852.61
VI. Other comprehensive income, net of tax	-255,199,297.97	-155,536,098.19
Other comprehensive income attributable to owners of the parent company, net of tax	-222,360,474.25	-145,278,536.82
(I) Other comprehensive income that will not be reclassified to profit and loss	—	—
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	—	—
4. Change in fair value of the enterprise’s own credit risk	—	—

Items	First quarter of 2023	First quarter of 2022
(II) Other comprehensive income that will be reclassified to profit and loss	-222,360,474.25	-145,278,536.82
1. Other comprehensive income that will be transferred to profit and loss under the equity method	3,564,309.28	—
2. Change in fair value of other debt investments	9,484,070.00	-102,047,125.78
3. Amount of financial assets reclassified to other comprehensive income	—	—
4. Provision for credit losses of other debt investments	149,890.98	-109,393.82
5. Reserve for hedge against cash flow	-16,040,066.81	15,676,339.62
6. Exchange differences from translation of financial statements denominated in foreign currencies	-219,518,677.70	-58,798,356.84
7. Other	—	—
Other comprehensive income attributable to minority interest, net of tax	-32,838,823.72	-10,257,561.37
VII. Total comprehensive income	3,055,727,503.08	2,143,637,700.46
Total comprehensive income attributable to owners of the parent company	3,022,675,179.28	2,069,863,409.22
Total comprehensive income attributable to minority interest	33,052,323.80	73,774,291.24
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.35	0.24
(II) Diluted earnings per share (RMB/share)	0.35	0.24
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 2023

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First quarter of 2023	First quarter of 2022
I. Cash flows from operating activities:		
Cash from sale of products and provision of services	—	—
Net increase in placements from other financial institutions	—	—
Cash received from interest, fees and commissions	7,922,405,427.21	8,717,543,547.64
Net increase in placements from other financial institutions	—	27,749,070,609.89
Net increase in cash from repurchase business	16,610,845,433.22	6,672,884,019.52
Net decrease in margin loans	—	9,569,907,670.88
Net cash received from securities brokerage services	—	—
Cash received relating to other operating activities	9,155,778,285.37	5,332,402,789.28
Subtotal of cash inflows from operating activities	33,689,029,145.80	58,041,808,637.21
Net increase in financial assets held for trading purpose	28,957,206,894.74	12,968,569,549.05
Net increase in placements with other financial institutions	—	—
Net decrease in placements from other financial institutions	15,530,665,000.00	—
Net increase in margin loans	5,092,049,107.61	—
Net increase in financial assets purchased under resale agreements	—	—
Net cash paid for securities brokerage services	8,552,731,620.73	6,085,817,051.56
Cash paid for interest, fees and commissions	2,564,713,033.53	2,627,774,492.42
Cash paid to and paid for employees	2,044,518,024.36	1,759,612,939.02
Taxes paid	579,092,729.84	1,386,589,649.37
Cash paid relating to other operating activities	8,123,396,393.30	21,485,415,987.25
Subtotal of cash outflows from operating activities	71,444,372,804.11	46,313,779,668.67
Net cash flow from operating activities	-37,755,343,658.31	11,728,028,968.54
II. Cash flows from investing activities:		
Cash received from disposal of investments	5,200,943,363.38	3,833,134,424.48
Cash received from investment returns	396,120,965.88	250,022,950.52
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	—	—
Net cash received from disposal of subsidiaries and other business units	—	—
Cash received relating to other investing activities	22,392,822.93	1,248,045.97
Subtotal of cash inflows from investing activities	5,619,457,152.19	4,084,405,420.97
Cash paid for investments	10,611,826,087.20	1,960,500,000.00
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	194,156,771.53	151,793,072.52
Net cash paid for acquisition of subsidiaries and other business units	—	—
Cash paid relating to other investing activities	—	—
Subtotal of cash outflows from investing activities	10,805,982,858.73	2,112,293,072.52
Net cash flow from investing activities	-5,186,525,706.54	1,972,112,348.45

Items	First quarter of 2023	First quarter of 2022
III. Cash flows from financing activities:		
Proceeds from investments	—	2,697,036,113.21
Of which: Cash contribution from minority interest to subsidiaries	—	—
Proceeds from borrowings	1,287,488,473.82	73,885,065.93
Proceeds from issuance of bonds	37,927,871,886.95	30,924,160,912.03
Cash received relating to other financing activities	—	—
Subtotal of cash inflows from financing activities	39,215,360,360.77	33,695,082,091.17
Cash repayments of borrowings	26,929,996,238.75	29,464,947,321.64
Cash paid for dividends, profits or interest	1,762,332,133.29	1,180,951,043.70
Of which: Dividends and profits paid to minority interest by subsidiaries	—	—
Cash repayments of lease liabilities	158,238,300.37	121,162,731.33
Cash paid relating to other financing activities	—	—
Subtotal of cash outflows from financing activities	28,850,566,672.41	30,767,061,096.67
Net cash flow from financing activities	10,364,793,688.36	2,928,020,994.50
IV. Effect of exchange rate changes on cash and cash equivalents	-181,296,642.66	13,604,731.68
V. Net increase in cash and cash equivalents	-32,758,372,319.15	16,641,767,043.17
Add: Balance of cash and cash equivalents at the beginning of the period	215,921,297,118.14	189,399,437,061.37
VI. Balance of cash and cash equivalents at the end of the period	183,162,924,798.99	206,041,204,104.54
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, 2023

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	March 31, 2023	December 31, 2022
Assets:		
Monetary capital	95,827,425,525.95	86,574,567,028.52
Of which: Customer fund deposits	76,943,264,746.56	75,070,055,377.94
Clearing settlement funds	31,712,594,497.13	47,135,809,813.24
Of which: Settlement funds from customers	23,472,111,571.08	30,027,968,209.45
Precious metal	—	—
Placements with other financial institutions	—	—
Margin loans	103,200,627,129.34	98,360,566,463.53
Derivative financial assets	9,898,914,977.12	12,910,011,934.59
Refundable deposits	16,001,053,702.42	14,777,245,320.04
Receivables	2,863,980,983.50	2,966,173,370.43
Receivables financing	—	—
Contract assets	—	—
Financial assets held under resale agreements	10,669,317,912.33	31,917,344,380.69
Held-for-sale assets	—	—
Financial investments:		
Trading financial assets	270,120,891,717.19	246,047,565,553.30
Debt investments	48,966,272,396.45	48,304,074,062.34
Other debt investments	11,586,464,337.67	7,354,718,319.71
Other equity instrument investments	52,693,860.03	52,693,860.03
Long-term equity investments	39,534,811,446.53	38,917,299,297.22
Investment properties	963,893,083.24	974,805,994.60
Fixed assets	2,856,283,329.40	2,943,337,515.13
Construction in progress	248,322,972.04	175,102,258.39
Right-of-use assets	804,717,056.35	845,707,943.95
Intangible assets	816,462,788.34	831,803,455.44
Goodwill	—	—
Deferred income tax assets	—	—
Other assets	6,489,245,422.70	11,062,451,831.63
Total assets	652,613,973,137.73	652,151,278,402.78

Items	March 31, 2023	December 31, 2022
Liabilities:		
Short-term loans	—	—
Short-term margin loans	17,209,799,989.57	18,203,723,106.60
Placements from other financial institutions	10,342,824,767.13	25,877,713,063.31
Trading financial liabilities	18,429,623,451.95	17,530,156,482.53
Derivative financial liabilities	9,459,236,105.72	11,673,223,630.40
Financial assets sold under repurchase agreements	132,816,900,586.36	121,317,309,490.13
Securities brokerage services	100,751,590,215.14	101,426,766,181.33
Securities underwriting services	3,620,413.29	5,357,400.00
Employee benefits payables	7,556,039,510.41	6,825,116,805.64
Tax payables	248,058,671.07	342,482,669.24
Payables	77,615,218,000.77	86,294,506,980.69
Contract liabilities	—	—
Held-for-sale liabilities	—	—
Estimated liabilities	101,047.62	101,047.62
Long-term loans	—	—
Bonds payables	129,084,256,877.56	116,784,393,390.12
Of which: Preference shares	—	—
Perpetual bonds	—	—
Lease liabilities	814,453,690.16	862,487,499.59
Deferred income	—	—
Deferred income tax liabilities	313,461,760.77	138,320,675.01
Other liabilities	1,188,424,353.43	1,231,218,518.93
Total liabilities	<u>505,833,609,440.95</u>	<u>508,512,876,941.14</u>
Owners' equity (or equity of shareholders):		
Paid up capital (or share capital)	9,075,589,027.00	9,075,589,027.00
Other equity instruments	19,200,000,000.00	19,200,000,000.00
Of which: Preference shares	—	—
Perpetual bonds	19,200,000,000.00	19,200,000,000.00
Capital reserve	68,956,672,432.57	68,927,381,060.43
Less: Treasury shares	1,202,324,401.85	1,202,324,401.85
Other comprehensive income	53,225,627.95	47,145,460.89
Surplus reserve	7,791,328,623.91	7,791,328,623.91
General risk provision	15,795,944,382.65	15,795,892,112.32
Undistributed profits	27,109,928,004.55	24,003,389,578.94
Total owners' equity (or equity of shareholders)	146,780,363,696.78	143,638,401,461.64
Total liabilities and owners' equity (or equity of shareholders)	<u>652,613,973,137.73</u>	<u>652,151,278,402.78</u>
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 2023

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First quarter of 2023	First quarter of 2022
I. Total operating income	6,056,518,019.40	4,036,068,507.40
Net interest income	625,032,907.12	667,538,311.79
Of which: Interest income	3,088,736,270.95	3,129,718,388.72
Interest expenses	2,463,703,363.83	2,462,180,076.93
Net fee and commission income	1,502,651,779.71	1,750,818,998.14
Of which: Net fee income from brokerage business	1,364,398,475.46	1,591,433,320.13
Net fee income from investment banking business	75,160,087.07	102,919,607.38
Net fee income from asset management business	—	—
Investment gains (“-” indicating losses)	3,260,088,658.35	-1,260,907,556.77
Of which: Gains from investments in associates and joint ventures	609,059,471.07	452,345,986.10
Gains from derecognition of financial assets measured at amortised cost (“-” indicating losses)	—	—
Net exposure hedging gains (“-” indicating losses)	—	—
Other gains	67,358,130.33	47,804,503.04
Gains from change in fair value (“-” indicating losses)	545,517,089.67	2,746,917,722.24
Foreign exchange gains (“-” indicating losses)	37,467,447.41	57,981,614.72
Other business income	18,396,390.50	25,894,693.47
Gains from disposal of assets (“-” indicating losses)	5,616.31	20,220.77
II. Total operating expenses	2,478,906,764.96	1,523,334,557.62
Tax and surcharges	37,313,307.55	37,117,786.78
Business and administrative expenses	2,534,460,522.54	1,730,715,974.02
Credit impairment loss	-101,970,883.10	-254,376,804.21
Other asset impairment loss	—	—
Other business costs	9,103,817.97	9,877,601.03
III. Operating profit (“-” indicating loss)	3,577,611,254.44	2,512,733,949.78
Add: Non-operating income	30,869,087.12	238,643.75
Less: Non-operating expenses	1,602,570.71	2,828,836.01
IV. Total profit (“-” indicating total loss)	3,606,877,770.85	2,510,143,757.52
Less: Income tax expenses	500,287,074.91	513,766,156.69

Items	First quarter of 2023	First quarter of 2022
V. Net profit (“-” indicating net loss)	3,106,590,695.94	1,996,377,600.83
(I) Net profit from continuing operations (“-” indicating net losses)	3,106,590,695.94	1,996,377,600.83
(II) Net profit from discontinued operations (“-” indicating net losses)	—	—
VI. Other comprehensive income, net of tax	6,080,167.06	-2,180,940.83
(I) Other comprehensive income that will not be reclassified to profit and loss	—	—
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	—	—
4. Change in fair value of the enterprise’s own credit risk	—	—
(II) Other comprehensive income that will be reclassified to profit and loss	6,080,167.06	-2,180,940.83
1. Other comprehensive income that will be transferred to profit and loss under equity method	3,564,309.28	—
2. Change in fair value of other debt investments	2,365,966.80	-2,071,547.01
3. Amount of financial assets reclassified to other comprehensive income	—	—
4. Provision for credit losses of other debt investments	149,890.98	-109,393.82
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	3,112,670,863.00	1,994,196,660.00
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

Cash Flow Statement of the Parent Company
January to March 2023

Prepared by: Huatai Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First quarter of 2023	First quarter of 2022
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	—	—
Cash received from interest, fees and commissions	5,002,066,846.70	5,365,788,069.69
Net increase in placements from other financial institutions	—	27,386,217,750.00
Net increase in cash from repurchase business	12,308,594,636.08	5,994,977,747.19
Net decrease in margin loans	—	9,590,926,060.69
Net cash received from securities brokerage services	—	—
Cash received relating to other operating activities	1,428,967,789.10	642,521,310.25
Subtotal of cash inflows from operating activities	18,739,629,271.88	48,980,430,937.82
Net increase in financial assets held for trading purpose	20,081,104,786.59	15,740,216,596.74
Net increase in placements with other financial institutions	—	—
Net decrease in trading financial assets acquired	—	—
Net cash paid for securities brokerage services	680,324,605.26	9,929,675,713.36
Net increase in margin loans	4,877,149,186.91	—
Net decrease in placements from other financial institutions	15,530,665,000.00	—
Cash paid for interest, fees and commissions	1,885,159,789.71	1,969,391,383.82
Cash paid to and paid for employees	941,401,607.37	845,541,354.66
Taxes paid	343,114,063.01	766,865,085.63
Cash paid relating to other operating activities	7,472,284,967.55	6,383,045,342.66
Subtotal of cash outflows from operating activities	51,811,204,006.40	35,634,735,476.87
Net cash flow from operating activities	-33,071,574,734.52	13,345,695,460.95

Items	First quarter of 2023	First quarter of 2022
II. Cash flows from investing activities:		
Cash received from disposal of investments	4,375,078,423.82	3,001,495,737.34
Cash received from investment returns	1,234,995,917.55	207,606,081.83
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	—	—
Cash received relating to other investing activities	233,382.54	1,248,045.97
Subtotal of cash inflows from investing activities	5,610,307,723.91	3,210,349,865.14
Cash paid for investments	9,066,126,569.13	1,920,000,000.00
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	166,948,077.99	71,563,396.32
Net cash paid for acquisition of subsidiaries and other business units	—	300,000,000.00
Cash paid relating to other investing activities	—	—
Subtotal of cash outflows from investing activities	9,233,074,647.12	2,291,563,396.32
Net cash flow from investing activities	-3,622,766,923.21	918,786,468.82
III. Cash flows from financing activities:		
Proceeds from investments	—	2,697,036,113.21
Proceeds from borrowings	—	—
Proceeds from issuance of bonds	31,789,560,359.14	20,030,495,713.29
Cash received relating to other financing activities	—	—
Subtotal of cash inflows from financing activities	31,789,560,359.14	22,727,531,826.50
Cash paid for repayments of borrowings	20,490,925,538.00	25,916,504,423.00
Cash paid for dividends, profits or interest	1,238,330,490.10	1,157,337,195.56
Cash paid for repayments of lease liabilities	91,684,076.13	61,968,941.03
Cash paid relating to other financing activities	—	—
Subtotal of cash outflows from financing activities	21,820,940,104.23	27,135,810,559.59
Net cash flow from financing activities	9,968,620,254.91	-4,408,278,733.09
IV. Effect of exchange rate changes on cash and cash equivalents	26,778,799.33	117,784,913.67
V. Net increase in cash and cash equivalents	-26,698,942,603.49	9,973,988,110.35
Add: Balance of cash and cash equivalents at the beginning of the period	159,943,612,121.06	144,839,881,529.95
VI. Balance of cash and cash equivalents at the end of the period	133,244,669,517.57	154,813,869,640.30

Officer in charge
of the Company:
Zhang Wei

Officer in charge
of accounting:
Jiao Xiaoning

Head of accounting
department:
Fei Lei

(III) Adjustment to the financial statements as at the beginning of the year as a result of the initial adoption of the new accounting standards or interpretation of standards and etc. since 2023

☐ Applicable ☒ Not applicable

Announcement is hereby given.

The Board of Huatai Securities Co., Ltd.
April 28, 2023