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中信建投証券股份有限公司 CSC FINANCIAL CO., LTD.

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

(Stock Code: 6066)

2023 THIRD QUARTERLY RESULTS

This announcement is made pursuant to the disclosure obligations under Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and 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).

Summary of the unaudited results of the Group for the third quarter ended September 30, 2023:

- In the third quarter of 2023, the Group recorded an operating revenue of RMB4,919,063,773.76. The net profit attributable to the equity holders of the Company amounted to RMB1,383,679,109.79.
- This results report was prepared in accordance with the relevant disclosure requirements applicable to quarterly reports of listed companies issued by the China Securities Regulatory Commission.
- The financial information contained in this results report was prepared in accordance with the PRC GAAP.
- Unless otherwise indicated, Renminbi is the recording currency in this report.

The contents of the results report are consistent with the main contents of the relevant announcement published by CSC Financial Co., Ltd. (the “**Company**”) on the Shanghai Stock Exchange. This announcement is published simultaneously in Hong Kong and Mainland China.

IMPORTANT NOTICE

- (I) The board of directors and the supervisory committee, together with the directors, supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of this quarterly report and that there is no false representation, misleading statement contained herein or material omission from this quarterly report, and for which they will assume joint and several legal liabilities.
- (II) WANG Changqing, chairman of the Company, WANG Changqing (acting), chief financial officer of the Company, and ZHAO Ming, head of the Company's accounting department (accounting officer), warrant that the financial information set out in the quarterly report are true, accurate and complete.
- (III) Whether the third quarterly financial statements are audited
- Yes No

1. KEY FINANCIAL DATA

(I) Principal accounting data and financial indicators

In RMB Yuan

Items	The Reporting Period	Change as compared to the same period of last year (%)	From the beginning of the year to the end of the Reporting Period	Change from the beginning of the year to the end of the Reporting Period as compared to the same period of last year (%)
Operating revenue	4,919,063,773.76	-40.60	18,383,771,778.87	-19.03
Net profit attributable to equity holders of the Company	1,383,679,109.79	-32.68	5,691,156,686.42	-11.57
Net profit attributable to equity holders of the Company excluding extraordinary gains and losses	1,368,861,279.68	-33.42	6,392,715,096.43	-0.52
Net cash flows from operating activities	N/A	N/A	-4,353,934,553.72	-116.87
Basic earnings per share (RMB/share)	0.15	-34.78	0.64	-14.67
Diluted earnings per share (RMB/share)	0.15	-34.78	0.64	-14.67
Return on weighted average equity (%)	1.60	Decreased by 1.11 percentage points	7.05	Decreased by 1.66 percentage points
		As at the end of the Reporting Period	As at the end of last year	Change as at the end of the Reporting Period as compared to the end of last year (%)
Total assets	522,541,876,225.62		509,206,009,965.17	2.62
Equity attributable to the shareholders of the Company	96,440,765,176.40		93,251,206,177.43	3.42

Note: For the purpose of this announcement, the “Reporting Period” refers to the third quarter of 2023, the period from July to September 2023, the “end of the Reporting Period” refers to September 30, 2023.

(II) Items and amounts of extraordinary gains and losses

In RMB Yuan

Items	Amount for the Reporting Period	Amount from the beginning of the year to the end of the Reporting Period	Note
Profits and losses from disposal of non-current assets	1,861,472.51	2,062,449.82	-
Government subsidies through profit or loss except for government subsidies closely related to the Company's ordinary business, which are in line with national policies, calculated according to certain standards or continuously granted in fixed amount	32,125,366.14	54,399,791.14	-
Non-operating income/expenses other than the above items	-13,905,479.29	-991,988,277.21	-
Less: effect of income tax	5,263,529.25	-233,967,626.24	-
Effect on non-controlling interests, after tax	-	-	-
Total	<u>14,817,830.11</u>	<u>-701,558,410.01</u>	-

Explanation on defining items of extraordinary gains or losses illustrated in “Notice on Explanation of Information Disclosure of Companies Publicly Issuing Securities No. 1 – Extraordinary Gains or Losses” that are defined as items of recurring gains or losses

Applicable Not Applicable

(III) Changes in Major Accounting Data and Financial Indicators and Reasons Thereof

Applicable Not Applicable

(1) *Changes in major accounting data of the Company and the reasons thereof*

Items	Change in percentage (%)	Main reason
Operating revenue (for the Reporting Period)	-40.60	Mainly attributable to the decrease in sales revenue from bulk commodity.
Net profit attributable to equity holders of the Company (for the Reporting Period)	-32.68	Mainly attributable to the decrease in revenue from proprietary business.
Net profit attributable to equity holders of the Company excluding extraordinary gains and losses (for the Reporting Period)	-33.42	Mainly attributable to the decrease in revenue from proprietary business.
Basic earnings per share (for the Reporting Period)	-34.78	Mainly attributable to the decrease in net profit attributable to equity holders of the Company for the reporting period.
Diluted earnings per share (for the Reporting Period)	-34.78	Mainly attributable to the decrease in net profit attributable to equity holders of the Company for the reporting period.

(2) Changes in primary statements of the Company and the reasons thereof

In RMB Yuan

Items	Amount at the end of the Reporting Period (September 30, 2023)	Amount at the end of last year (December 31, 2022)	Change in percentage (%)	Main reason
Derivative financial assets	4,402,611,884.98	2,863,415,628.64	53.75	Mainly due to the increase in derivative financial assets formed from equity-type derivatives.
Other assets	1,440,893,780.23	848,070,443.73	69.90	Mainly due to the increase in other accounts receivables.
Short-term borrowings	105,955,342.38	1,243,576,724.39	-91.48	Mainly due to the decrease in the closing balance of short-term borrowings of the subsidiary.
Short-term financing instruments payable	32,449,489,524.65	19,541,247,584.78	66.06	Mainly due to the increase in the closing balance of short-term commercial papers payable.
Accounts payable to underwriting clients	152,340,559.91	606,802,681.47	-74.89	Mainly due to the decrease in the funds payable to bonds issuers at the end of the period.
Salaries, bonuses and allowances payable	5,889,672,045.13	4,349,540,672.66	35.41	Mainly due to the increase in the closing balance of salaries, bonuses and allowances payable.
Taxes payable	306,671,879.32	941,312,254.17	-67.42	Mainly due to the decrease in the closing balance of corporate income tax payable.
Provision	127,757,679.00	51,198,600.00	149.53	Mainly due to the increase in pending litigation.
Deferred tax liabilities	158,394,673.59	311,861,253.65	-49.21	Mainly due to the decrease in floating surplus of financial instruments.
Other comprehensive income	969,556,976.73	641,055,973.11	51.24	Mainly due to the floating surplus of other debt investments for the period.

Items	From the beginning of the year to the end of the Reporting Period (January to September 2023)	From the beginning of last year to the end of the Reporting Period of last year (January to September 2022)	Change in percentage (%)	Main reason
Gains arising from changes in the fair value	1,837,797,993.24	-159,289,091.45	N/A	Mainly due to the increase in the gains arising from changes in the fair value of financial assets held for trading.
Other operating income	2,126,306,391.05	5,857,144,139.60	-63.70	Mainly due to the decrease in sales revenue of bulk commodity.
Gains from disposal of assets	2,062,449.82	169,098.09	1,119.68	Mainly due to the increase in gains from disposal of non-current assets.
Other income	120,788,301.64	76,306,875.72	58.29	Mainly due to the increase in government subsidies.
Credit impairment losses	-22,858,868.19	178,178,854.36	-112.83	Mainly due to the reversion of the credit impairment losses on other debt investments and financial assets held under resale agreements.
Impairment losses on other assets	5,237,557.64	25,502,161.80	-79.46	Mainly due to the decrease in inventory impairment losses.
Other operating costs	2,049,159,323.47	5,849,012,670.24	-64.97	Mainly due to the decrease in sales costs of bulk commodity.
Non-operating income	3,497,053.21	2,323,540.53	50.51	Mainly due to the increase in other non-operating income.
Non-operating expenses	995,485,330.42	17,794,820.78	5,494.24	Mainly due to the increase in compensation payout.
Income tax expenses	1,076,177,750.99	1,770,566,098.28	-39.22	Mainly due to the decrease in taxable income in the period.
Net cash flows from operating activities	-4,353,934,553.72	25,814,066,500.42	-116.87	Mainly due to the increase in financial assets held for trading.
Net cash flows from investing activities	-2,077,816,326.01	-12,420,216,858.21	N/A	Mainly due to the decrease in cash outflows paid for investments.
Net cash flows from financing activities	2,192,520,130.09	-3,841,303,304.03	N/A	Mainly due to the decrease in outflows for payments of debts.

2. INFORMATION OF SHAREHOLDERS

Total number of shareholders of ordinary shares and preferred shares with voting rights resumed and information on shareholdings of the top 10 shareholders

Unit: shares

Total number of holders of ordinary shares as at the end of the Reporting Period	142,820	Total number of holders of preferred shares with voting rights resumed as at the end of the Reporting Period (if any)	–
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Shareholdings of Top 10 Shareholders

Name of shareholder	Nature of shareholder	Number of shares	Percentage of shares held (%)	Number of shares held subject to trading moratorium	Pledged, tagged or frozen Status	Number
Beijing Financial Holdings Group (北京金融控股集團有限公司) (Note 1)	State-owned legal person	2,774,765,517	35.77	2,684,309,017	Nil	–
Central Huijin Investment Limited (中央匯金投資有限責任公司)	State	2,386,052,459	30.76	–	Nil	–
Other holding shares of HKSCC Nominees Limited (香港中央結算(代理人)有限公司其他代持股份) (Note 2)	Foreign legal person	818,643,538	10.55	–	Unknown	–
CITIC Securities Co., Ltd. (中信証券股份有限公司)	State-owned legal person	382,849,268	4.94	–	Nil	–
Glasslake Holdings Limited (鏡湖控股有限公司)	Foreign legal person	351,647,000	4.53	–	Unknown	–
Xizang Tengyun Investment Management Limited (西藏騰雲投資管理有限公司)	Domestic non-state owned legal person	109,556,553	1.41	–	Pledged	98,600,000

Name of shareholder	Nature of shareholder	Number of shares	Percentage of shares held (%)	Number of shares held subject to trading moratorium	Pledged, tagged or frozen Status	Number
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司) (Note 3)	Foreign legal person	66,715,910	0.86	–	Nil	–
Fujian Gui'an Xintiandi Tourism Culture Investment Co., Ltd. (福建貴安新天地旅遊文化投資有限公司)	Domestic non-state owned legal person	38,861,100	0.50	–	Pledged	24,600,000
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund (中國建設銀行股份有限公司 – 國泰中證全指證券公司交易型開放式指數證券投資基金)	Others	25,921,407	0.33	–	Nil	–
China Construction Bank Corporation – Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund (中國建設銀行股份有限公司 – 華寶中證全指證券公司交易型開放式指數證券投資基金)	Others	18,549,495	0.24	–	Nil	–

Shareholdings of the top 10 shareholders whose shares are not subject to trading moratorium

Name of shareholder	Number of tradable shares not subject to trading moratoriums	Class and number of shares	
		Class	Number
Central Huijin Investment Limited (中央匯金投資有限責任公司)	2,386,052,459	RMB denominated ordinary shares	2,386,052,459
Other holding shares of HKSCC Nominees Limited (香港中央結算 (代理人)有限公司其他代持股份)	818,643,538	Overseas listed foreign shares	818,643,538
CITIC Securities Co., Ltd. (中信証券股份有限公司)	382,849,268	RMB denominated ordinary shares	382,849,268
Glasslake Holdings Limited (鏡湖控股有限公司)	351,647,000	Overseas listed foreign shares	351,647,000
Xizang Tengyun Investment Management Limited (西藏騰雲投資管理有限公司)	109,556,553	RMB denominated ordinary shares	109,556,553
Beijing Financial Holdings Group (北京金融控股集團有限公司)	90,456,500	Overseas listed foreign shares	90,456,500
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	66,715,910	RMB denominated ordinary shares	66,715,910
Fujian Gui'an Xintiandi Tourism Culture Investment Co., Ltd. (福建貴安新天地旅遊文化 投資有限公司)	38,861,100	RMB denominated ordinary shares	38,861,100
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund (中國建設銀行股份有限公司 – 國泰中證全指證券公司交易型 開放式指數證券投資基金)	25,921,407	RMB denominated ordinary shares	25,921,407
China Construction Bank Corporation – Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund (中國建設銀行股份有限公司 – 華寶中證全指證券公司交易型 開放式指數證券投資基金)	18,549,495	RMB denominated ordinary shares	18,549,495

Explanation on related relationship or concerted action among the above shareholders

As of the end of the Reporting Period, the related relationship and/or acting-in-concert relationship among shareholders of the Company are as follows:

Xizang Tengyun Investment Management Limited and Fujian Gui'an Xintiandi Tourism Culture Investment Co., Ltd. are related parties. Saved as the above condition, the Company is not aware of the related relationship as stipulated in the Rules Governing the Listing of Stocks on Shanghai Stock Exchange among other shareholders or whether they are parties acting in concert as stipulated in the Measures for the Administration of the Takeover of Listed Companies.

In addition, CITIC Securities Co., Ltd. and Glasslake Holdings Limited have a connected relationship as stipulated in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Description of top ten shareholders and top 10 shareholders not subject to selling restrictions participating in margin trading and refinancing business (if any)

Nil

Note 1: On May 18, 2023, the Company issued the Overseas Regulatory Announcement -Announcement of CSC Financial Co., Ltd. on the Increase in H Shares of the Company by the Largest Shareholder and the Subsequent Shareholding Increase Plan, pursuant to which Beijing Financial Holdings Group (hereinafter referred to as “Beijing Financial Holdings Group”) intends to accumulatively increase its shareholdings by no more than 1.20% of the total issued share capital of the Company within 12 months from the date of this increase. For details, please refer to the announcement. The number of shares involved includes the additional H Shares (90,456,500 H Shares, accounting for 1.17% of the total share capital of the Company) held by Beijing Financial Holdings Group as of the end of the Reporting Period pursuant to the above shareholding increase plan. As of the disclosure date of this report, the shareholding increase plan has not been completed.

Note 2: HKSCC Nominees Limited is the nominee holder of the H Shares held by non-registered shareholders, and the shares indicated in the above table are other H Shares held by HKSCC Nominees Limited other than Beijing Financial Holdings Group and Glasslake Holdings Limited.

Note 3: The shares held by Hong Kong Securities Clearing Company Limited are A Shares held by non-registered shareholders of SSE.

Note 4: The identification of the nature of shareholders is mainly based on the types of holders registered in the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, with reference to other publicly disclosed information.

3. OTHER REMINDERS

Other important information about the Company’s operating conditions during the reporting period that investors need to be reminded of and pay attention to

Applicable Not Applicable

(I) Material litigation and arbitration

In the third quarter of 2023, there were no material litigation and arbitration cases of the Company with an amount involving over RMB10 million and accounting for over 10% of the absolute value of the latest audited net assets of the Company, which were required to be disclosed in accordance with the requirements of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

(II) Suspected violations of laws and regulations of, sanctions and rectifications imposed on the listed company, and its directors, supervisors, senior management, controlling shareholders and de facto controllers

The Decision on Taking Rectification Measures against CSC Financial Co., Ltd. ([2023] No. 104) issued by the the Beijing Office of the CSRC (“Beijing CSRC”) on August 2, 2023 indicated that the Company has the following issues in performing its duties as a public fund custodian: Firstly, some accounting and investment supervisors did not obtain the qualification for fund business. Secondly, the Company failed to update the relevant rules and regulations of its fund custody business in a timely manner. Thirdly, open-end funds shall maintain no less than 5% of the fund’s net assets in cash or government bonds with maturity within one year. The Company has put in place a grace period of 10 trading days in the investment supervision system for violations of the aforementioned standards. The aforesaid issues were in violation of paragraph 1 (3) of Article 8 and paragraph 1 of Article 26 of the Administrative Measures on the Securities Investment Fund Custodianship Business (《證券投資基金託管業務管理辦法》) and Article 28 of the Administrative Measures on Operations of Public Offering of Securities Investment Funds (公開募集證券投資基金運作管理辦法), and therefore Beijing CSRC decided to take administrative supervision measures against the Company by issuing a warning letter.

In response to the penalty, the Company has taken the following rectification measures: (1) urging the relevant personnel who have not obtained the fund practice qualification to participate in the fund practice qualification examination, and arranging the relevant personnel to participate in the business training. At present, all the employees have obtained the fund practice qualification. (2) conducting a comprehensive review on the current systems for custody business, and has completed the revision and improvement of a number of systems including the Administrative Measures on the Fund Custody Business of China Securities Co., Ltd.. (3) the revision of relevant monitoring indicators in the investment supervision system has been completed, and the actual monitoring of such indicators has been inspected, and no violation of the supervision duties of the trustee has been found.

Subsequent events:

On October 11, 2023, the Beijing Securities Regulatory Bureau issued the “Decision on Administrative Supervision Measures for Issuing Warning Letters against CSC Financial Co., Ltd.” ([2023] No. 216), noting that the Company failed to conduct the OTC options business to examine the access of individual counterparties and the continuous compliance with the appropriateness management requirements. The above situation reflects the inadequate compliance management of the Company, which violated Article 3 of the Measures for the Compliance Management of Securities Companies and Securities Investment Fund Management Companies, and the Beijing Securities Regulatory Bureau decided to take administrative supervision measures to issue warning letters to the Company.

In response to the penalty, the Company’s rectification measures are as follows: (1) Carrying out special training on OTC options business and strengthening compliance reminders. All employees involved in the business process are required to strictly implement the requirements of counterparty access and continuous suitability management for OTC options business, and report any violations by customers in a timely manner. (2) Strengthening the coordination between the Company’s headquarters and branches on OTC options business, and emphasize OTC options access procedures and standards to branches, strictly implementing the requirements of the business rules.

(III) Issuance of bonds

In the third quarter of 2023, the Company completed the issuance of three tranches of subordinated bonds and one tranche of corporate bonds with a total size of RMB15.5 billion. The issuance is as follows:

1. In July 2023, the Company publicly issued subordinated bonds with a face value of RMB4.5 billion to professional investors, including RMB3 billion of “23 Xintou C3” with a term of 2 years at coupon rate of 2.86%, and RMB1.5 billion of “23 Xintou C4” with a term of 3 years at coupon rate of 3.04%. The bond applies the fixed interest rate and its simple interest is calculated on an annual basis with interest repayment per annum and it is not guaranteed.
2. In July 2023, the Company publicly issued subordinated bonds with a face value of RMB3.5 billion to professional investors, including RMB1 billion of “23 Xintou C5” with a term of 2 years at coupon rate of 2.74%, and RMB2.5 billion of “23 Xintou C6” with a term of 3 years at coupon rate of 2.95%. The bond applies the fixed interest rate and its simple interest is calculated on an annual basis with interest repayment per annum and it is not guaranteed.
3. In August 2023, the Company publicly issued subordinated bonds with a face value of RMB3.5 billion to professional investors, including RMB1 billion of “23 Xintou C7” with a term of 2 years at coupon rate of 2.75%, and RMB2.5 billion of “23 Xintou C8” with a term of 3 years at coupon rate of 3.00%. The bond applies the fixed interest rate and its simple interest is calculated on an annual basis with interest repayment per annum and it is not guaranteed.
4. In August 2023, the Company publicly issued corporate bonds with a face value of RMB4 billion to professional investors, including RMB1.5 billion of “23 Xintou G2” with a term of 5 years at coupon rate of 2.97%, and RMB2.5 billion of “23 Xintou G3” with a term of 10 years at coupon rate of 3.15%. The bond applies the fixed interest rate and its simple interest is calculated on an annual basis with interest repayment per annum and it is not guaranteed.

4. QUARTERLY FINANCIAL STATEMENTS

(I) Type of Audit Opinion

Applicable Not applicable

(II) Financial Statements

Consolidated Statement of Financial Position

September 30, 2023

Prepared by: CSC Financial Co., Ltd.

In RMB Yuan (unaudited)

Items	September 30, 2023	December 31, 2022
ASSETS:		
Cash and bank balances	100,786,810,782.42	112,192,799,425.02
Including: cash held on behalf of customers	73,512,755,199.67	80,175,827,139.15
Settlement deposits	37,570,924,287.16	30,657,035,515.60
Including: deposits held on behalf of customers	29,178,696,205.39	23,729,127,885.72
Margin accounts	54,591,193,565.95	52,870,594,814.75
Derivative financial assets	4,402,611,884.98	2,863,415,628.64
Refundable deposits	12,733,512,321.39	10,881,159,590.33
Accounts receivable	10,340,997,205.60	10,825,580,907.24
Financial assets held under resale agreements	19,448,718,618.90	25,551,299,516.89
FINANCIAL INVESTMENT:		
Financial assets held for trading	202,065,899,498.63	187,311,139,561.49
Other debt investments	75,233,225,563.52	70,629,667,685.15
Other investments in equity instruments	82,192,292.52	90,311,356.38
Long-term equity investment	108,784,663.99	107,523,713.01
Investment properties	44,353,309.14	38,142,253.84
Property, plant and equipment	560,415,992.57	670,051,241.17
Right-of-use assets	1,543,036,014.99	1,855,388,328.87
Intangible assets	668,869,487.08	670,381,433.18
Deferred tax assets	919,436,956.55	1,143,448,549.88
Other assets	1,440,893,780.23	848,070,443.73
Total assets	522,541,876,225.62	509,206,009,965.17
LIABILITIES:		
Short-term borrowings	105,955,342.38	1,243,576,724.39
Short-term financing instruments payable	32,449,489,524.65	19,541,247,584.78
Placements from banks and other financial institutions	7,708,969,667.97	8,724,568,666.01

Items	September 30, 2023	December 31, 2022
Financial liabilities held for trading	14,591,903,492.66	12,306,954,372.75
Derivative financial liabilities	4,020,787,985.73	3,258,543,905.18
Financial assets sold under repurchase agreements	119,701,913,830.14	122,153,950,544.49
Accounts payable to brokerage clients	109,625,251,028.40	109,294,146,990.04
Accounts payable to underwriting clients	152,340,559.91	606,802,681.47
Salaries, bonuses and allowances payable	5,889,672,045.13	4,349,540,672.66
Taxes payable	306,671,879.32	941,312,254.17
Accounts payable	24,811,248,543.71	23,771,639,682.92
Provision	127,757,679.00	51,198,600.00
Bonds payable	99,022,175,044.04	101,781,978,895.66
Lease liabilities	1,588,283,391.79	1,884,016,344.51
Deferred tax liabilities	158,394,673.59	311,861,253.65
Other liabilities	5,792,926,132.41	5,689,129,144.92
Total liabilities	<u>426,053,740,820.83</u>	<u>415,910,468,317.60</u>
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	7,756,694,797.00	7,756,694,797.00
Other equity instruments	24,906,528,301.90	24,906,528,301.90
Including: perpetual bonds	24,906,528,301.90	24,906,528,301.90
Capital reserve	12,416,999,532.67	12,416,999,532.67
Other comprehensive income	969,556,976.73	641,055,973.11
Surplus reserves	6,384,683,621.97	6,386,086,263.93
General risk reserve	14,002,168,629.98	13,953,966,566.46
Retained earnings	30,004,133,316.15	27,189,874,742.36
Equity attributable to the owners (or shareholders) of the Company	<u>96,440,765,176.40</u>	<u>93,251,206,177.43</u>
Non-controlling interests	<u>47,370,228.39</u>	<u>44,335,470.14</u>
Total equity of the owners (or shareholders)	<u>96,488,135,404.79</u>	<u>93,295,541,647.57</u>
Liabilities and total equity of the owners (or shareholders)	<u>522,541,876,225.62</u>	<u>509,206,009,965.17</u>

*Person-in-charge of
the Company:*

WANG Changqing

Chief Financial Officer:

**WANG Changqing
(acting)**

*Person-in-charge of
accounting department:*

ZHAO Ming

Consolidated Income Statement
From January to September 2023

Prepared by: CSC Financial Co., Ltd.

In RMB Yuan (unaudited)

Items	First three quarters of 2023 (From January to September)	First three quarters of 2022 (From January to September)
I. Total operating revenue	18,383,771,778.87	22,703,156,430.78
Net fee and commission income	9,485,697,305.12	10,563,407,177.08
Including: Net fee income from brokerage business	4,323,662,170.55	4,574,052,518.73
Net fee income from investment banking business	3,892,533,171.13	4,566,275,472.77
Net fee income from asset management and fund management businesses	950,068,388.91	1,087,146,526.50
Net interest income	1,508,193,666.56	1,780,456,775.49
Including: Interest income	7,781,512,899.93	7,038,961,402.01
Interest expenses	6,273,319,233.37	5,258,504,626.52
Investment income (loss denoted by “-”)	3,226,311,174.44	4,484,141,047.99
Including: Investment income from associates and joint ventures	1,502,044.86	9,998,349.88
Gains arising from changes in the fair value (loss denoted by “-”)	1,837,797,993.24	-159,289,091.45
Foreign exchange gains (loss denoted by “-”)	76,614,497.00	100,820,408.26
Other operating income	2,126,306,391.05	5,857,144,139.60
Gains from disposal of assets (loss denoted by “-”)	2,062,449.82	169,098.09
Other income	120,788,301.64	76,306,875.72
II. Total operating expenses	10,613,347,334.15	14,472,653,922.74
Tax and surcharges	106,689,278.31	116,703,172.10
Operating and administrative expenses	8,475,120,042.92	8,303,257,064.24
Credit impairment losses	-22,858,868.19	178,178,854.36
Impairment losses on other assets	5,237,557.64	25,502,161.80
Other operating costs	2,049,159,323.47	5,849,012,670.24
III. Operating profit (loss denoted by “-”)	7,770,424,444.72	8,230,502,508.04
Add: Non-operating income	3,497,053.21	2,323,540.53
Less: Non-operating expenses	995,485,330.42	17,794,820.78
IV. Profit before income tax (gross loss denoted by “-”)	6,778,436,167.51	8,215,031,227.79
Less: Income tax expenses	1,076,177,750.99	1,770,566,098.28

Items	First three quarters of 2023 (From January to September)	First three quarters of 2022 (From January to September)
V. Net profit (net loss denoted by “-”)	5,702,258,416.52	6,444,465,129.51
(1) Classified by business continuity		
1. Net profit from continuing operations (net loss denoted by “-”)	5,702,258,416.52	6,444,465,129.51
2. Net profit from discontinued operations (net loss denoted by “-”)	-	-
(2) Classified by ownership		
1. Net profit attributable to equity holders of the Company (net loss denoted by “-”)	5,691,156,686.42	6,435,739,038.42
2. Non-controlling interests (net loss denoted by “-”)	11,101,730.10	8,726,091.09
VI. Other comprehensive income, net of tax	328,501,003.62	417,295,845.43
Other comprehensive income attributable to owners of the parent, net of tax	328,501,003.62	417,295,845.43
(1) Other comprehensive income not to be reclassified to profit or loss	-11,412,110.57	-37,307,349.37
1. Changes in fair value of other investments in equity instruments	-11,412,110.57	-37,307,349.37
(2) Other comprehensive income to be reclassified to profit or loss	339,913,114.19	454,603,194.80
1. Other comprehensive income that can be transferred to profit or loss under equity method	33,894.33	-50,072.77
2. Changes in fair value of other debt investments	284,337,018.14	60,754,552.75
3. Credit impairment provisions for other debt investments	-48,174,467.88	47,312,187.12
4. Foreign currency translation differences	103,716,669.60	346,586,527.70
Other comprehensive income attributable to non-controlling interests, net of tax	-	-
VII. Total comprehensive income	6,030,759,420.14	6,861,760,974.94
Comprehensive income attributable to the owners of the Company	6,019,657,690.04	6,853,034,883.85
Comprehensive income attributable to noncontrolling interests	11,101,730.10	8,726,091.09
VIII. Earnings per share		
(1) Basic earnings per share (RMB/share)	0.64	0.75
(2) Diluted earnings per share (RMB/share)	0.64	0.75

*Person-in-charge of
the Company:*

WANG Changqing

Chief Financial Officer:
WANG Changqing
(acting)

*Person-in-charge of
accounting department:*

ZHAO Ming

Consolidated Cash Flow Statement
From January to September 2023

Prepared by: CSC Financial Co., Ltd.

Items	<i>In RMB Yuan (unaudited)</i>	
	First three quarters of 2023 (From January to September)	First three quarters of 2022 (From January to September)
I. Cash flows from operating activities:		
Net decrease in financial assets held for trading	–	2,325,321,828.39
Cash received from interests, fees and commissions	20,188,408,971.07	20,242,484,569.05
Net decrease in margin accounts	–	6,560,075,152.56
Net increase in funds from repurchase business	3,725,872,266.64	13,700,065,007.62
Net cash received from accounts payable to brokerage clients	1,748,367,911.39	4,849,569,544.60
Cash received from other operating activities	5,112,358,425.61	10,336,457,426.88
Sub-total of cash inflows from operating activities	30,775,007,574.71	58,013,973,529.10
Net increase in margin accounts	1,518,591,998.59	–
Net decrease in placements from banks and other financial institutions	1,050,000,000.00	7,000,000,000.00
Net increase in financial assets held for trading	10,190,099,101.67	–
Cash payment of interests, fees and commissions	4,509,448,220.71	3,948,470,618.06
Cash paid to and on behalf of employees	4,554,468,872.12	6,049,383,174.34
Cash payments of taxes and rates	2,636,039,016.26	3,407,675,724.99
Cash paid for other operating activities	10,670,294,919.08	11,794,377,511.29
Sub-total of cash outflows from operating activities	35,128,942,128.43	32,199,907,028.68
Net cash flows from operating activities	<u>-4,353,934,553.72</u>	<u>25,814,066,500.42</u>
II. Cash flows from investing activities:		
Cash received from investments income	274,988.21	8,700,000.00
Cash received from other investing activities	340,992.23	607,297.91
Sub-total of cash inflows from investing activities	615,980.44	9,307,297.91
Cash paid for investments	1,809,160,881.29	12,156,878,209.61
Cash paid for purchase of property, plant and equipment, intangible assets and other long term assets	269,271,425.16	272,645,946.51
Sub-total of cash outflows from investing activities	2,078,432,306.45	12,429,524,156.12
Net cash flows from investing activities	<u>-2,077,816,326.01</u>	<u>-12,420,216,858.21</u>

Items	First three quarters of 2023 (From January to September)	First three quarters of 2022 (From January to September)
III. Cash flows from financing activities:		
Cash received from capital injection	–	10,006,000,000.00
Including: Cash received from issuing perpetual bonds	–	10,000,000,000.00
Cash received by subsidiaries from investments by minority shareholders	–	6,000,000.00
Cash received from borrowing activities	7,369,285,818.58	5,943,522,896.28
Cash received from issuing bonds	68,392,469,500.00	65,708,360,600.00
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Sub-total of cash inflows from financing activities	75,761,755,318.58	81,657,883,496.28
	<hr/>	<hr/>
Payments of debts	67,056,213,576.10	78,312,544,189.01
Cash outflows due to payment of dividends, profit or interests	5,953,320,336.99	6,486,777,430.66
Including: Profit distribution to holders of ordinary shares	2,094,307,595.19	3,063,894,444.82
Distribution to other equity instrument holders	983,750,000.00	625,000,000.00
Dividends and profits paid by subsidiaries to minority shareholders	7,066,971.85	3,773,187.08
Cash paid for other financing activities	559,701,275.40	699,865,180.64
	<hr/>	<hr/>
Sub-total of cash outflows from financing activities	73,569,235,188.49	85,499,186,800.31
	<hr/>	<hr/>
Net cash flows from financing activities	2,192,520,130.09	-3,841,303,304.03
	<hr/> <hr/>	<hr/> <hr/>
IV. Effect of exchange rate changes on cash and cash equivalents	-419,174,816.81	214,651,877.19
V. Net increase in cash and cash equivalents	-4,658,405,566.45	9,767,198,215.37
Add: cash and cash equivalent balance at the beginning of the period	142,280,480,630.13	123,244,246,395.04
VI. Cash and cash equivalents at the end of the period	137,622,075,063.68	133,011,444,610.41
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*Person-in-charge of the
Company:*
WANG Changqing

Chief Financial Officer:
WANG Changqing (acting)

*Person-in-charge of
accounting department:*
ZHAO Ming

Statement of Financial Position of the Parent Company
September 30, 2023

Prepared by: CSC Financial Co., Ltd.

In RMB Yuan (unaudited)

Items	September 30, 2023	December 31, 2022
ASSETS:		
Cash and bank balances	74,175,876,247.49	94,693,757,363.48
Including: cash held on behalf of customers	50,004,909,811.48	64,887,045,941.51
Settlement deposits	36,576,376,509.15	29,606,876,233.21
Including: deposits held on behalf of customers	28,778,009,204.95	23,412,012,891.97
Margin accounts	54,402,335,171.61	52,606,442,444.97
Derivative financial assets	4,344,347,450.54	2,942,801,049.74
Refundable deposits	6,336,178,443.64	5,652,195,025.44
Accounts receivable	9,570,574,890.22	10,189,481,906.27
Financial assets held under resale agreements	19,236,284,883.19	25,472,939,121.60
FINANCIAL INVESTMENT:		
Financial assets held for trading	179,435,134,206.21	165,838,820,454.43
Other debt investments	65,172,205,780.00	63,819,804,472.32
Long-term equity investment	11,756,683,320.95	11,605,422,369.97
Investment properties	44,353,309.14	38,142,253.84
Property, plant and equipment	538,308,131.06	645,994,502.55
Right-of-use assets	1,452,465,644.72	1,727,858,100.94
Intangible assets	631,367,001.73	636,303,421.67
Deferred tax assets	770,870,201.78	1,003,516,199.40
Other assets	1,122,052,301.90	621,268,938.13
Total assets	<u>465,565,413,493.33</u>	<u>467,101,623,857.96</u>

Items	September 30, 2023	December 31, 2022
LIABILITIES:		
Short-term financing instruments payable	31,412,946,033.61	19,439,574,326.12
Placements from banks and other financial institutions	7,708,969,667.97	8,724,568,666.01
Financial liabilities held for trading	14,491,798,317.96	12,114,254,943.10
Derivative financial liabilities	4,343,927,601.59	3,470,581,057.27
Financial assets sold under repurchase agreements	112,467,935,821.31	116,585,918,223.76
Accounts payable to brokerage clients	79,011,189,590.58	88,534,251,178.21
Accounts payable to underwriting clients	144,281,835.20	606,802,681.47
Salaries, bonuses and allowances payable	5,309,949,684.95	3,908,137,955.67
Taxes payable	151,517,948.93	823,236,086.97
Accounts payable	24,642,147,626.17	23,259,500,371.47
Provision	127,672,679.00	51,113,600.00
Bonds payable	88,795,300,809.00	94,811,010,227.03
Lease liabilities	1,496,825,604.81	1,752,030,201.32
Other liabilities	4,392,339,040.25	4,172,849,741.59
	<u>374,496,802,261.33</u>	<u>378,253,829,259.99</u>
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	7,756,694,797.00	7,756,694,797.00
Other equity instruments	24,906,528,301.90	24,906,528,301.90
Including: perpetual bonds	24,906,528,301.90	24,906,528,301.90
Capital reserve	12,428,414,615.64	12,428,414,615.64
Other comprehensive income	704,541,232.85	444,343,742.81
Surplus reserves	5,865,684,403.79	5,865,684,403.79
General risk reserve	13,536,983,737.26	13,524,644,823.23
Retained earnings	25,869,764,143.56	23,921,483,913.60
	<u>91,068,611,232.00</u>	<u>88,847,794,597.97</u>
Liabilities and total equity of the owners (or shareholders)	<u>465,565,413,493.33</u>	<u>467,101,623,857.96</u>
<i>Person-in-charge of the Company:</i>	<i>Chief Financial Officer:</i>	<i>Person-in-charge of accounting department:</i>
WANG Changqing	WANG Changqing (acting)	ZHAO Ming

Income Statement of the Parent Company

From January to September 2023

Prepared by: CSC Financial Co., Ltd.

In RMB Yuan (unaudited)

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
I. Total operating revenue	14,420,874,047.42	15,183,147,393.94
Net fee and commission income	8,342,101,426.50	9,500,196,921.20
Including: Net fee income from brokerage business	3,640,696,231.93	4,007,975,699.67
Net fee income from investment banking business	3,804,858,894.58	4,442,533,812.83
Net fee income from asset management and fund management businesses	560,422,784.02	712,863,437.28
Net interest income	1,375,222,867.17	1,554,582,556.80
Including: Interest income	6,897,476,251.37	6,526,010,156.63
Interest expenses	5,522,253,384.20	4,971,427,599.83
Investment income (loss denoted by “-”)	2,461,651,879.00	3,245,126,417.84
Including: Investment income from associates and joint ventures	1,502,044.86	5,268,035.35
Gains arising from changes in the fair value (loss denoted by “-”)	2,078,740,287.57	687,603,751.05
Foreign exchange gains (loss denoted by “-”)	53,370,439.03	123,979,894.81
Other operating income	33,612,243.13	17,599,199.56
Gains from disposal of assets (loss denoted by “-”)	2,041,800.39	153,694.70
Other income	74,133,104.63	53,904,957.98
II. Total operating expenses	7,677,118,640.17	7,777,055,423.17
Tax and surcharges	91,974,431.25	101,520,738.62
Operating and administrative expenses	7,608,200,940.66	7,506,024,116.89
Credit impairment losses	-24,483,602.62	167,985,980.42
Other operating costs	1,426,870.88	1,524,587.24
III. Operating profit (loss denoted by “-”)	6,743,755,407.25	7,406,091,970.77
Add: Non-operating income	3,345,207.33	2,318,601.72
Less: Non-operating expenses	990,737,071.98	15,024,248.51

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
IV. Profit before income tax (gross loss denoted by “-”)	5,756,363,542.60	7,393,386,323.98
Less: Income tax expenses	965,645,707.54	1,495,211,382.59
V. Net profit (net loss denoted by “-”)	4,790,717,835.06	5,898,174,941.39
(1) Net profit from continuing operations (net loss denoted by “-”)	4,790,717,835.06	5,898,174,941.39
(2) Net profit from discontinued operations (net loss denoted by “-”)	-	-
VI. Other comprehensive income, net of tax	260,197,490.04	203,115,239.99
(1) Other comprehensive income not to be reclassified to profit or loss	-	-
(2) Other comprehensive income to be reclassified to profit or loss	260,197,490.04	203,115,239.99
1. Other comprehensive income that can be transferred to profit or loss under equity method	33,894.33	-50,072.77
2. Changes in fair value of other debt investments	309,515,046.87	156,084,920.99
3. Credit impairment provisions for other debt investments	-49,351,451.16	47,080,391.77
VII. Total comprehensive income	5,050,915,325.10	6,101,290,181.38

*Person-in-charge of the
Company:*

WANG Changqing

Chief Financial Officer:

**WANG Changqing
(acting)**

*Person-in-charge of
accounting department:*

ZHAO Ming

Statement of Cash Flows of the Parent Company
From January to September 2023

Prepared by: CSC Financial Co., Ltd.

In RMB Yuan (unaudited)

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
I. Cash flows from operating activities:		
Net decrease in financial assets held for trading	–	7,180,436,767.55
Cash received from interests, fees and commissions	17,870,408,442.90	18,634,956,710.30
Net decrease in margin accounts	–	6,708,123,860.99
Net increase in funds from repurchase business	2,169,513,426.66	8,786,097,046.34
Cash received from other operating activities	<u>2,442,084,295.60</u>	<u>1,706,004,934.95</u>
Sub-total of cash inflows from operating activities	<u>22,482,006,165.16</u>	<u>43,015,619,320.13</u>
Net increase in financial assets held for trading	9,262,944,995.90	–
Net decrease in placements from banks and other financial institutions	1,050,000,000.00	7,000,000,000.00
Net increase in margin accounts	1,596,818,666.47	–
Net cash payable from accounts payable to brokerage clients	9,523,061,587.63	1,940,688,062.45
Cash payment of interests, fees and commissions	3,898,202,509.67	3,728,003,367.04
Cash paid to and on behalf of employees	4,155,825,400.80	5,541,254,232.82
Cash payments of taxes and rates	2,300,911,022.49	2,988,757,266.41
Cash paid for other operating activities	<u>4,518,004,284.59</u>	<u>3,339,454,081.62</u>
Sub-total of cash outflows from operating activities	<u>36,305,768,467.55</u>	<u>24,538,157,010.34</u>
Net cash flows from operating activities	<u><u>-13,823,762,302.39</u></u>	<u><u>18,477,462,309.79</u></u>

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
II. Cash flows from investing activities:		
Cash received from investments	685,712,352.23	–
Cash received from investment income	274,988.21	370,000,000.00
Cash received from other investing activities	265,537.91	455,906.00
	<u>686,252,878.35</u>	<u>370,455,906.00</u>
Sub-total of cash inflows from investing activities	<u>686,252,878.35</u>	<u>370,455,906.00</u>
Cash paid for investments	–	11,475,130,149.54
Cash paid for purchase of property, plant and equipment, intangible assets and other long term assets	245,805,215.93	257,200,629.12
	<u>245,805,215.93</u>	<u>257,200,629.12</u>
Sub-total of cash outflows from investing activities	<u>245,805,215.93</u>	<u>11,732,330,778.66</u>
Net cash flows from investing activities	<u>440,447,662.42</u>	<u>-11,361,874,872.66</u>
III. Cash flows from financing activities:		
Cash received from capital injection	–	10,000,000,000.00
Including: Cash received from issuing perpetual bonds	–	10,000,000,000.00
Cash received from issuing bonds	65,392,469,500.00	65,708,360,600.00
	<u>65,392,469,500.00</u>	<u>65,708,360,600.00</u>
Sub-total of cash inflows from financing activities	<u>65,392,469,500.00</u>	<u>75,708,360,600.00</u>
Payments of debts	59,582,190,000.00	72,371,624,000.00
Cash outflows due to payment of dividends, profit or interests	5,641,664,663.57	6,399,629,602.43
Including: Profit distribution to shareholders of ordinary shares	2,094,307,595.19	3,063,894,444.82
Distribution to other equity instrument holders	983,750,000.00	625,000,000.00
Cash paid for other financing activities	510,218,836.51	461,134,810.53
	<u>510,218,836.51</u>	<u>461,134,810.53</u>
Sub-total of cash outflows from financing activities	<u>65,734,073,500.08</u>	<u>79,232,388,412.96</u>
Net cash flows from financing activities	<u>-341,604,000.08</u>	<u>-3,524,027,812.96</u>

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
IV. Effect of exchange rate changes on cash and cash equivalents	4,390,666.85	-6,546,757.36
V. Net increase in cash and cash equivalents	-13,720,527,973.20	3,585,012,866.81
Add: cash and cash equivalent balance at the beginning of the period	124,160,719,808.44	109,085,387,084.36
VI. Cash and cash equivalents at the end of the period	<u>110,440,191,835.24</u>	<u>112,670,399,951.17</u>

*Person-in-charge of the
Company:*

WANG Changqing

Chief Financial Officer:

WANG Changqing (acting)

*Person-in-charge of
accounting department:*

ZHAO Ming

Adjustments made to the financial statements as at the beginning of the year for the initial implementation of New Accounting Standards or interpretation of standards since 2023

Applicable Not Applicable

The announcement is hereby given.

By order of the Board
CSC Financial Co., Ltd.
Wang Changqing
Chairman

Beijing, the PRC
October 26, 2023

As at the date of this announcement, the executive Director of the Company is Mr. WANG Changqing; the non-executive Directors of the Company are Mr. LI Min, Mr. WU Ruilin, Mr. YAN Xiaolei, Ms. ZHU Jia, Mr. YANG Dong and Ms. WANG Hua; and the independent non-executive Directors of the Company are Mr. PO Wai Kwong, Mr. LAI Guanrong, Mr. ZHANG Zheng, Mr. WU Xi and Mr. ZHENG Wei.