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GF SECURITIES CO., LTD.

廣發証券股份有限公司

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

(Stock Code: 1776)

2020 FIRST QUARTERLY REPORT

This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Set out below is the 2020 first quarterly report of GF Securities Co., Ltd. (the “**Company**”) and its subsidiaries as of March 31, 2020. The financial report contained herein is prepared in accordance with the China Accounting Standards for Business Enterprises and has not been audited.

This report is prepared in both Chinese and English languages. In the event of any inconsistency between these two versions, the Chinese version shall prevail.

By order of the Board of Directors
GF Securities Co., Ltd.
Sun Shuming
Chairman

Guangzhou, the PRC
April 28, 2020

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Sun Shuming, Mr. Qin Li and Ms. Sun Xiaoyan as executive Directors; Mr. Li Xiulin, Mr. Shang Shuzhi and Ms. Liu Xuetao as non-executive Directors; Mr. Yang Xiong, Mr. Tang Xin, Mr. Chan Kalok and Mr. Fan Lifu as independent non-executive Directors.

GF SECURITIES CO., LTD.
2020 FIRST QUARTERLY REPORT

Section I Important Notice

The Board of Directors, Supervisory Committee and the Directors, Supervisors and senior management of the Company confirm the truthfulness, accuracy and completeness of the contents in this quarterly report, and there is no false representation, misleading statement or material omission therein, and they will assume joint and several legal responsibilities thereof.

This report has been considered and approved at the 28th meeting of the ninth session of the Board of Directors of the Company. All Directors have attended the board meeting for consideration of this quarterly report.

Mr. Sun Shuming, the legal representative of the Company, Ms. Sun Xiaoyan, the person-in-charge of accounting affairs, and Ms. Wang Ying, the head of the accounting department (person-in-charge of accounting) hereby declare that the financial statements contained in this quarterly report are true, accurate and complete.

Section II Basic Information of the Company

I. Key Financial Data and Financial Indicators

Whether the Company has to make retrospective adjustment or restatement of the accounting data of prior years

No

	The reporting period	Corresponding period of last year	Increase/decrease for the reporting period as compared with the corresponding period of last year
Total Operating revenue (RMB)	5,387,563,293.80	6,839,194,354.71	-21.23%
Net profit attributable to owners of the Company (RMB)	2,070,542,242.31	2,919,149,980.51	-29.07%
Net profit attributable to owners of the Company excluding extraordinary gains and losses (RMB)	2,075,970,929.09	2,920,550,981.73	-28.92%
Net cash flows from operating activities (RMB)	-6,162,945,974.55	5,583,978,916.57	—
Basic earnings per share (RMB/share)	0.27	0.38	-28.95%
Diluted earnings per share (RMB/share)	0.27	0.38	-28.95%
Return on weighted average net assets	2.25%	3.36%	Decreased by 1.11 percentage points

	As at the end of the reporting period	As at the end of last year	Increase/decrease at the end of the reporting period as compared with the end of last year
Total assets (RMB)	438,448,241,499.00	394,391,063,092.52	11.17%
Net assets attributable to owners of the Company (RMB)	93,121,698,257.25	91,233,984,272.41	2.07%

Total share capital of the Company as of the trading day preceding the date of publication of this quarterly report:

Total share capital of the Company as of the trading day preceding the date of publication of this quarterly report (shares)	7,621,087,664
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Fully-diluted earnings per share based on the latest share capital:

Fully-diluted earnings per share based on the latest share capital (RMB/share)	0.27
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Extraordinary gain and loss items and amounts

Unit: RMB

Items	For the three months ended March 31, 2020	Note
Profits and losses from disposal of non-current assets (including write-offs of asset impairment provisions)	32,830.26	Mainly include profits and losses from disposal of fixed assets.
Government subsidies recorded under profit and loss of the current period (except for those closely related to the business of the Company, and in a fixed or quantifiable amount in conformity with the common standards of the State)	6,405,770.30	Mainly include fiscal incentives.
Other non-operating income and expenses other than the above items	-4,321,437.34	
Other profit or loss items falling within the definition of extraordinary gains and losses	-9,270,218.40	Mainly include compensation for early retired staff.
Less: Income tax effect	-1,827,189.47	
Impact on non-controlling interests (after tax)	102,821.07	
Total	-5,428,686.78	–

Reasons for the Company's extraordinary gain and loss items as defined in the "Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No.1 – Extraordinary Gains and Losses" and for the extraordinary gain and loss items as enumerated in the "Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No.1 -Extraordinary Gains and Losses" to be recorded as its recurring gain and loss items.

Applicable Not applicable

The Group's gains and losses from changes in fair value of financial instruments held for trading and derivative financial instruments, the gains of financial assets held for trading, debt investments, other debt investments and other equity instrument investments during the periods, and the investment gains from disposal of other debt investments, financial instruments held for trading and derivative financial instruments have been defined as recurring gain and loss items rather than extraordinary gain and loss items, the reason for which is that such business is in the ordinary course of business of the Group as a securities firm.

The investment gains from holding and disposal of the long-term equity investments of GF Xinde Investment Management Co., Ltd. (廣發信德投資管理有限公司) and GF Qianhe Investment Co., Ltd. (廣發乾和投資有限公司), both of which are subsidiaries of the Company, have been defined as recurring gain and loss items rather than extraordinary gain and loss items. The reason is that the principal business of GF Xinde Investment Management Co., Ltd. includes equity investment and that of GF Qianhe Investment Co., Ltd. includes project investment and investment management, all of which are in the ordinary course of business.

II. Statement of the Total Number of Shareholders and the Shareholdings of the Top 10 Shareholders at the End of the Reporting Period

1. Total number of shareholders of ordinary shares and shareholders of preference shares with restored voting rights and the shareholdings of the top 10 shareholders

Unit: share

Total number of shareholders of ordinary shares as at the end of the reporting period	169,861, of which there were 168,143 holders of A Shares and 1,718 registered shareholders of H Shares	Total number of shareholders of preference shares with restored voting right as at the end of the reporting period (if any)	0
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Shareholdings of the top 10 ordinary shareholders						
Name of shareholder	Nature of shareholder	Percentage of shareholding	Number of shares held	Number of shares held subject to trading moratorium	Pledged or frozen	
					Status of shares	Number of shares
HKSCC Nominees Limited	Overseas legal entity	22.31%	1,700,085,060	0		
Jilin Aodong Pharmaceutical Group Co., Ltd.	Domestic general legal entity	16.43%	1,252,297,867	0		
Liaoning Cheng Da Co., Ltd.	State-owned legal entity	16.40%	1,250,144,088	0		
Zhongshan Public Utilities Group Co., Ltd.	State-owned legal entity	9.01%	686,754,216	0		
China Securities Finance Corporation Limited	Domestic general legal entity	2.99%	227,870,638	0		
Huaxia Life Insurance Co., Ltd. – Universal Life Insurance Product	Fund and wealth management products, etc.	2.83%	215,824,683	0		
Puning Xinhong Industrial Investment Co., Ltd.	Domestic general legal entity	1.91%	145,936,358	0	Pledged	144,000,000
Central Huijin Asset Management Ltd.	State-owned legal entity	1.29%	98,149,700	0		
Hong Kong Securities Clearing Company Limited	Overseas legal entity	0.76%	57,620,757	0		
JT Asset Management – SPD Bank – JT Asset Management – Hengsheng New Momentum Subordination No. 1 Asset Management Scheme	Fund and wealth management products, etc.	0.62%	47,065,765	0		

Shareholdings of the top 10 ordinary shareholders not subject to trading moratorium			
Name of shareholder	Number of shares held not subject to trading moratorium	Class of shares	
		Class of shares	Number of shares
HKSCC Nominees Limited	1,700,085,060	Overseas listed foreign shares	1,700,085,060
Jilin Aodong Pharmaceutical Group Co., Ltd.	1,252,297,867	RMB-denominated ordinary shares	1,252,297,867
Liaoning Cheng Da Co., Ltd.	1,250,144,088	RMB-denominated ordinary shares	1,250,144,088
Zhongshan Public Utilities Group Co., Ltd.	686,754,216	RMB-denominated ordinary shares	686,754,216
China Securities Finance Corporation Limited	227,870,638	RMB-denominated ordinary shares	227,870,638
Huaxia Life Insurance Co., Ltd. – Universal Life Insurance Product	215,824,683	RMB-denominated ordinary shares	215,824,683
Puning Xinhong Industrial Investment Co., Ltd.	145,936,358	RMB-denominated ordinary shares	145,936,358
Central Huijin Asset Management Ltd.	98,149,700	RMB-denominated ordinary shares	98,149,700
Hong Kong Securities Clearing Company Limited	57,620,757	RMB-denominated ordinary shares	57,620,757
JT Asset Management – SPD Bank – JT Asset Management – Hengsheng New Momentum Subordination No. 1 Asset Management Scheme	47,065,765	RMB-denominated ordinary shares	47,065,765

Note 1: Among the H shareholders of the Company, shares of the non-registered shareholders are held by HKSCC Nominees Limited on their behalf;

Note 2: In the table above, shares held by HKSCC Nominees Limited are overseas listed foreign shares (H Shares), and shares held by other shareholders are RMB-denominated ordinary shares (A Shares);

Note 3: According to the public information disclosed by Jilin Aodong Pharmaceutical Group Co., Ltd. (“**Jilin Aodong**”), Liaoning Cheng Da Co., Ltd. (“**Liaoning Cheng Da**”) and Zhongshan Public Utilities Group Co., Ltd. (“**Zhongshan Public Utilities**”) respectively on April 10, 2020, as of March 31, 2020, Jilin Aodong held 41,026,000 H Shares of the Company by itself and 36,868,800 H Shares of the Company through its wholly-owned subsidiary, Aodong International (Hong Kong) Industrials Co., Limited, totaling 77,894,800 H Shares, representing 1.02% of the total share capital of the Company; Liaoning Cheng Da held 1,473,600 H Shares of the Company through Chengda Steel HongKong Co., Limited, a wholly-owned subsidiary of Liaoning Cheng Da Steel Co., Ltd. which was in turn a wholly-owned subsidiary of Liaoning Cheng Da, representing 0.019% of the total share capital of the Company; and Zhongshan Public Utilities held 100,904,000 H Shares of the Company through its wholly-owned subsidiary, Public Utilities International (Hong Kong) Investment Company Limited, representing 1.32% of the total share capital of the Company. As of March 31, 2020, the shareholding percentages of Jilin Aodong and its parties acting in concert, Liaoning Cheng Da and its parties acting in concert and Zhongshan Public Utilities and its parties acting in concert in the A Shares and H Shares of the Company were 17.45%, 16.42% and 10.34%, respectively, of the total share capital of the Company;

Note 4: The number of shares held by Liaoning Cheng Da at the end of the reporting period increased by 30,000 shares compared with the end of December 2019, mainly due to the participation of Liaoning Cheng Da in the margin refinancing and securities refinancing;

Note 5: According to the public disclosure information on the HKExnews website of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”), as of March 31, 2020, the shareholders holding 5% or more of the H shares of the Company (except for the “Public Utilities International (Hong Kong) Investment Company Ltd.” in Note 3) were as follows: On January 31, 2020, the Labor Union Committee of GF Securities Co., Ltd. held a total of 272,500,600 H Shares (Long position) of the Company, representing 16.01% of the H Share capital of the Company; On March 16, 2020, Citigroup Inc held a total of 92,003,836 H Shares (Long position) of the Company, representing 5.40% of the H Share capital of the Company. The above shares are held by HKSCC Nominees Limited on their behalf;

Note 6: As at the end of the reporting period, none of the above shareholders of A Shares held the shares of the Company through credit securities accounts;

Note 7: As at the end of the reporting period, none of the above shareholders of A Shares had conducted any agreed repurchase transactions.

2. Statement of the total number of preference shareholders and the shareholdings of the top 10 preference shareholders

Not applicable

Section III Significant Events

I. Changes in Major Financial Data and Financial Indicators and Reasons for Changes During the Reporting Period

Items	As at March 31, 2020	As at December 31, 2019	Increase/ Decrease	Main reasons for changes
Derivative financial assets	139,066,969.92	72,360,510.75	92.19%	Increase in equity derivatives as at the end of the period.
Accounts receivable	3,791,803,829.60	2,373,089,660.79	59.78%	Increase in clearing receivables as at the end of the period.
Intangible assets	1,208,776,632.38	410,080,010.42	194.77%	Increase in land use right as at the end of the period.
Short-term borrowings	3,694,329,869.38	1,038,012,912.14	255.90%	Increase in credit loans as at the end of the period.
Short-term financing payables	21,353,429,261.49	14,880,673,400.27	43.50%	New short-term financing bills were issued during the period.
Due to banks and other financial institutions	5,454,279,020.18	2,984,030,098.85	82.78%	Increase in the financing funds from the margin refinancing and securities refinancing as at the end of the period.
Accounts payable to underwriting clients	–	117,000,000.00	-100.00%	Decrease in proceeds from underwriting securities received on behalf of customers as at the end of the period.

Items	Three months ended March 31, 2020	Three months ended March 31, 2019	Increase/ Decrease	Main reasons for changes
Net interest income	889,709,185.38	682,553,924.81	30.35%	Decrease in interest charged on financing during the period.
Net fee and commission income	3,177,943,093.85	2,419,936,795.84	31.32%	Increase in fee and commission income from brokerage business and fund management business during the period.
Other gains	13,455,837.37	5,727,762.02	134.92%	Increase in government subsidies and in income from handling fees of withholding and payment of taxes during the period.
Gains from changes in fair value	-170,757,123.10	2,196,797,794.54	-	Decrease in gains from changes in fair value of financial assets held for trading during the period.
Foreign exchange gains	15,776,499.66	-6,579,770.61	-	Exchange rate fluctuations during the period.
Gains from disposal of assets	32,830.26	576,057.54	-94.30%	Decrease in disposal gains of assets during the period.
Impairment loss on credit	85,126,265.78	130,310,583.75	-34.67%	Decrease in impairment loss of financial instruments during the period.
Impairment loss on other assets	4,736,684.67	51,958.53	9016.28%	Increase in loss from declining price of inventories during the period.
Non-operating income	3,918,778.35	1,293,993.23	202.84%	Increase in default payment received during the period.
Non-operating expenses	15,290,282.76	1,775,460.10	761.20%	Increase in donation expenses during the period.
Income tax expense	580,453,530.06	845,005,584.96	-31.31%	Decrease in profit before income tax during the period.
Other comprehensive income (net of tax)	-182,100,079.43	843,011,862.06	-	Decrease from changes in fair value of other equity instrument investments during the period.
Net cash flows from operating activities	-6,162,945,974.55	5,583,978,916.57	-	Increase in net cash outflow arising from purchase of financial assets held for trading.

II. Progress of Significant Events and their Effects as well as Analysis of Solutions thereon

1. Changes of brokerage branches

As of March 31, 2020, the Company had 21 branch offices and 283 securities brokerage branches located in 31 provinces, municipalities directly under the central government and autonomous regions in China. In particular, the Company received the “Reply on Approval of Deregistration of Heyuan Heping Securities Brokerage Branch” (《關於核准廣發証券股份有限公司撤銷河源和平証券營業部的批覆》) (Guangdong Zhengjian Permission No. [2019]28) from Guangdong Bureau of the China Securities Regulatory Commission on November 20, 2019, pursuant to which the deregistration of the branch is ongoing. The Company received the “Reply on Approval of Deregistration of Dalian Branch Company by GF Securities Co., Ltd.” (《關於核准廣發証券股份有限公司撤銷大連分公司的批覆》) (Dalian Zhengjian Permission No. [2020] 1) from Dalian Bureau of the China Securities Regulatory Commission on February 17, 2020, pursuant to which the deregistration of the branch is in progress.

From January 1 to March 31, 2020, the intra-city relocation of 4 securities brokerage branches of the Company has been completed.

No.	Name of the securities brokerage branch after the relocation	Name of the securities brokerage branch before the relocation
1	Xiashan Securities Brokerage Branch in Chaonan District, Shantou of GF Securities Co., Ltd.	Xiashan Securities Brokerage Branch in Chaonan District, Shantou of GF Securities Co., Ltd.
2	Tali Road Securities Brokerage Branch in Tangshan of GF Securities Co., Ltd.	Youyi Road Securities Brokerage Branch in Tangshan of GF Securities Co., Ltd.
3	Guizhong Avenue Securities Brokerage Branch in Liuzhou of GF Securities Co., Ltd.	Guangchang Road Securities Brokerage Branch in Liuzhou of GF Securities Co., Ltd.
4	Yuehua Road Securities Brokerage Branch in Chengde of GF Securities Co., Ltd.	Xinhua Road Securities Brokerage Branch in Chengde of GF Securities Co., Ltd.

2. On January 22, 2020, at the 25th Meeting of the Ninth Session of the Board of Directors of the Company, the Board of Directors considered and approved the connected transaction contemplated between GF Fund Management Co., Ltd. (“**GF Fund**”) (a non-wholly-owned subsidiary of the Company) and Kangmei Healthcare Industry Investment Co., Ltd. (“**Kangmei Healthcare**”), a wholly-owned subsidiary of Kangmei Pharmaceutical Co., Ltd. (“**Kangmei Pharmaceutical**”) (the “**Transaction**”). GF Fund proposed to acquire two parcels of land situated at Pazhou, Haizhu District, Guangzhou and the buildings on ground and underground and the construction in progress on the aforesaid two parcels of land, held by Kangmei Healthcare (the “**Transaction Target**”) at a consideration of no more than RMB1.13 billion.

According to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), GF Fund is a significant subsidiary of the Company. Ms. Xu Dongjin was a director of GF Fund, who resigned as a director of GF Fund on October 25, 2019. In view of the fact that Ms. Xu Dongjin had been a director of GF Fund in the past twelve months, Ms. Xu Dongjin was a connected person of the Company pursuant to Rule 14A.07 of the Hong Kong Listing Rules. Kangmei Healthcare was a wholly-owned subsidiary of Kangmei Pharmaceutical. Mr. Ma Xingtian was the de facto controller of Kangmei Pharmaceutical, and Ms. Xu Dongjin was the spouse of Mr. Ma Xingtian. Therefore, Kangmei Healthcare was an associate of Ms. Xu Dongjin, and thus a connected person of the Company at the subsidiary level. Therefore, the Transaction constituted a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

At the board meeting which considered the Transaction, the relevant personnel present at the meeting explained the Transaction and the pricing of the Transaction. Based on (1) the relevant proposal in respect of the Transaction; (2) the explanations made by the relevant personnel at the board meeting; and (3) the pricing mechanism of the Transaction, namely, GF Fund still needs to engage an intermediary party to issue the valuation report, and the final price of the Transaction will be adjusted and determined by reference to the reported value, and the transaction price shall not exceed RMB1.13 billion, 10 out of the 11 Directors of the Company's Board of Directors (including three of the four independent non-executive Directors) voted in favor of the proposal on the Transaction, and were of the view that the terms of the Transaction were reached through arm's length negotiations between the parties to the Transaction, and were entered into on normal commercial terms, which were fair and reasonable and in the interests of the Company and its shareholders as a whole. In addition, the three independent non-executive Directors (including Mr. Yang Xiong, Mr. Chan Kalok and Mr. Fan Lifu) who voted in favor of the Transaction also issued specific independent opinions in respect of the Transaction in accordance with the relevant regulatory requirements. They were of the view that:

- 1) The Transaction would be a relatively feasible solution for GF Fund to meet its need of long-term and centralized office spaces in the future. GF Fund could obtain the naming rights of its own properties, thereby enhancing its social image and influence and strengthening its employees' sense of belonging. The subject plots of the Transaction were located in the core business district of Guangzhou, which possessed a good potential of value preservation and appreciation.
- 2) The terms and conditions of the Transaction were reasonable and the pricing was fair, which will not affect the Company's ability to carry out its business independently.
- 3) The procedures for the review and decision-making of the Transaction were in compliance with the laws, administrative regulations, departmental regulations and other regulatory requirements.

Therefore, Mr. Yang Xiong, Mr. Chan Kalok and Mr. Fan Lifu, the three independent non-executive Directors, were of the view that the Transaction is in compliance with the relevant provisions of laws and regulations and the internal rules and regulations of the Company, and does not jeopardize the interests of the Company and other shareholders, especially the interests of the non-connected shareholders and small and medium shareholders.

Despite the aforementioned pricing mechanism (namely, the transaction price will not exceed RMB1.13 billion and the final price of the Transaction will be adjusted and determined by making reference to the report value issued by an intermediary party, while such report and report value were not available on the date of the Board meeting), Mr. Tang Xin, an independent non-executive Director of the Company, was of the view that the relevant meeting materials were not adequate for him to make an informed decision and he was not able to form an accurate judgment on the Transaction. Therefore, Mr. Tang Xin abstained from voting on the Transaction.

For details, please refer to the relevant announcement of the Company disclosed on the website of CNINFO (www.cninfo.com.cn) and the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) on January 22, 2020.

At present, in respect of the Transaction, GF Fund is required to engage a qualified independent third-party intermediary to estimate the value of the Transaction Target, and the final price of the Transaction will be adjusted with reference to the reported value as stated in the evaluation report to be issued by such intermediary.

III. Undertakings Overdue and Not Yet Performed during the Reporting Period by the De Facto Controller, Shareholders, Related Parties, Purchasers, the Company and Other Related Parties of Undertakings of the Company

Undertaking	Undertakers	Undertaking type	Contents of undertaking	Date of undertaking	Undertaking period	Performance
Share reform undertakings/ undertakings stated in acquisition report or report of changes in equity/ undertakings made during asset restructuring	The Company, its shareholders, Directors, Supervisors and senior management	Others	<p>1. The Company and its Directors, Supervisors and senior management have undertaken that, after the completion of the relevant transaction, the Company, as a public company, will strictly fulfill its obligations in information disclosure and investor education. Apart from the general information disclosure requirements for listed companies, the Company, after the completion of its listing, will also, based on its own characteristics, disclose information on customer asset protection, risk control, compliance inspection, innovative business and risk management in its regular reports, and will also strengthen the disclosure of risks to investors.</p> <p>2. The Company and its Directors, Supervisors and senior management have undertaken that they will strictly follow the “Administrative Measures for the Risk Control Indicators of Securities Companies” (《證券公司風險控制指標管理辦法》), and will improve the risk management system, optimize risk control mechanism, establish a real-time risk monitoring system, strengthen the dynamic monitoring of risk, and enhance the risk identification, measurement and control abilities, so as to improve risk management.</p> <p>3. To avoid competition with the surviving company after the share swap, absorption and merger and to regulate possible related transactions, Liaoning Cheng Da and Jilin Aodong have undertaken that: ① as the largest and second largest shareholders of the surviving company after the share swap, absorption and merger, they do not and will not engage in the same business with the surviving company, and will not indirectly operate or invest in enterprises which are engaged in business that competes or is likely to compete with the surviving company. They have also undertaken not to impair the legitimate interests of the surviving company and other shareholders by leveraging on their positions as shareholders. Meanwhile, they will also procure their wholly owned subsidiaries, subsidiaries in which they hold more than 50% equity and indirect subsidiaries to fulfill the above undertakings. ② as for related transactions which will be entered into between Liaoning Cheng Da, Jilin Aodong, their related parties and the surviving company, they will strictly follow the decision-making procedures for related transactions of listed companies and the principle of market pricing to ensure just, impartial and fair treatment and not to impair the legitimate interests of minority shareholders.</p> <p>4. Each of Liaoning Cheng Da and Jilin Aodong has made the Undertaking on Maintaining the Independence of Yan Bian Road Construction Co., Ltd. (《關於保持延邊公路建設股份有限公司獨立性的承諾》) and has undertaken to be independent from the Company in various aspects including staff, asset, business, finance and organization.</p>	February 6, 2010	Nil	All undertakers have strictly performed the undertakings.

Undertaking	Undertakers	Undertaking type	Contents of undertaking	Date of undertaking	Undertaking period	Performance
Undertakings in relation to the provision of guarantee for the net capital of GF Securities Asset Management (Guangdong) Co., Ltd. ("GF Asset Management")	The Company	Others	To support the continuous satisfaction by GF Asset Management of the regulatory requirements for risk control indices, the Company has provided additional guarantee for the net capital of GF Asset Management up to RMB3 billion (inclusive). The undertaking period for the guarantee for the net capital of RMB2.5 billion commences from the date of the passing of the resolution by the Board until September 30, 2016. The undertaking period for the guarantee for the net capital of RMB0.5 billion will last until the net capital of GF Asset Management can continuously meet the applicable regulatory requirements.	July 18, 2016	The undertaking period for the guarantee for the net capital of RMB2.5 billion commences from the date of the passing of the resolution by the Board until September 30, 2016. The undertaking period for the guarantee for the net capital of RMB0.5 billion will last until the net capital of GF Asset Management can continuously meet the applicable regulatory requirements	The Company has strictly performed the undertakings.
Are the undertakings performed in time?	Yes					

IV. Estimation of Operating Results for Period from January to June 2020

Not applicable

V. Investment in Securities

Not applicable

VI. Entrusted wealth management

Not applicable

VII. Investment in Derivatives

Not applicable

VIII. Record of Research, Communication and Interview Activities during the Reporting Period

From January to March 2020, apart from daily telephone communications with public investors, the Company organized and participated in a total of 3 research receptions and results roadshows, receiving a total of about 60 investors, details of which are shown in the table below:

Reception time	Reception method	Type of participants	Participants	Basic particulars
From January 1, 2020 to March 31, 2020	Telephone communication	Individuals	Public investors	Operation and Development of the Company
March 30, 2020	Results roadshow	Institutions	Analysts and investors who were invited to attend GF Securities' 2019 Annual Results Announcement Conference	The Company's strategies and business development
March 31, 2020	Telephone communication	Institutions	UBS, Allianz Global Investors, FIL Ltd, Pacific Alliance Group (PAG), Eastspring Investments	Operation and development of the Company
March 31, 2020	Telephone communication	Institutions	Wellington (London)	Operation and development of the Company

Note: For records of investor relations activities regarding the reception of the afore-mentioned institutional investors by the Company, please refer to the disclosure published on the websites of the Shenzhen Stock Exchange (www.szse.cn) and CNINFO (www.cninfo.com.cn).

IX. Information on Non-compliance in External Guarantees

The Company had no non-compliance in external guarantees during the reporting period.

X. Information on the Non-Operating Use of Funds of the Listed Company by the Controlling Shareholders and its Related Parties

Not applicable

Section IV Financial Statements

I. Financial Statements

1. Consolidated and the Company's Statements of Financial Position

Name of Enterprise: GF Securities Co., Ltd. As at March 31, 2020 Unit: RMB Audit Type: Unaudited

Items	As at March 31, 2020		As at December 31, 2019	
	Consolidated	Company	Consolidated	Company
Assets:				
Cash and bank balances	97,901,751,830.24	77,801,108,702.42	80,707,187,961.12	64,903,836,652.99
Including: cash held on behalf of customers	72,192,677,103.32	60,515,342,401.70	58,365,640,921.93	49,881,165,783.48
Clearing settlement funds	20,338,924,696.91	18,381,973,625.14	19,548,481,537.21	17,322,539,195.85
Including: settlement funds held on behalf of customers	17,384,036,292.87	15,589,223,080.20	17,088,247,532.35	14,993,060,874.80
Advances to customers	57,929,569,598.74	55,009,114,072.15	54,787,459,179.93	52,132,550,417.57
Derivative financial assets	139,066,969.92	117,634,422.63	72,360,510.75	59,081,171.23
Refundable deposits	7,130,310,789.81	1,375,031,953.52	6,646,320,076.30	1,383,820,326.11
Accounts receivable	3,791,803,829.60	1,343,591,256.05	2,373,089,660.79	825,009,269.63
Contract assets	75,894,968.00	75,894,968.00	75,894,968.00	75,894,968.00
Financial assets held under resale agreements	18,650,375,225.94	17,836,387,552.78	20,688,609,848.49	19,733,512,828.97
Financial investments:	216,208,147,226.85	184,067,363,545.20	193,368,457,814.82	162,104,229,224.65
Financial assets held for trading	105,249,256,764.05	75,403,283,403.03	81,105,233,305.09	52,430,144,013.68
Debt investments	1,933,758,655.18	1,681,498,456.32	2,280,131,945.80	2,022,619,963.48
Other debt investments	98,144,032,507.24	96,148,912,561.00	98,597,038,471.66	96,312,634,317.29
Other equity instrument investments	10,881,099,300.38	10,833,669,124.85	11,386,054,092.27	11,338,830,930.20
Long-term equity investments	6,242,208,505.47	20,497,843,265.81	6,726,965,609.74	20,697,321,649.34
Investment properties	44,723,872.84	17,895,589.90	45,498,974.15	18,329,653.72
Fixed assets	1,869,796,385.43	1,669,146,250.75	1,931,245,433.52	1,722,370,548.24
Right-of-use asset	678,377,724.50	509,016,945.80	712,915,206.48	523,165,191.24
Intangible assets	1,208,776,632.38	316,504,675.46	410,080,010.42	335,915,011.53
Goodwill	2,371,068.17	-	2,324,617.34	-
Deferred tax assets	1,188,971,067.70	788,523,020.70	1,058,688,189.54	658,901,453.29
Other assets	5,047,171,106.50	2,209,289,299.42	5,235,483,493.92	2,200,610,236.37
Total assets	438,448,241,499.00	382,016,319,145.73	394,391,063,092.52	344,697,087,798.73

Legal representative:
Sun Shuming

Person-in-charge of
accounting affairs:
Sun Xiaoyan

Person-in-charge of
accounting department:
Wang Ying

1. Consolidated and the Company's Statements of Financial Position (Continued)

Name of Enterprise: GF Securities Co., Ltd. As at March 31, 2020 Unit: RMB Audit Type: Unaudited

Items	As at March 31, 2020		As at December 31, 2019	
	Consolidated	Company	Consolidated	Company
Liabilities:				
Short-term borrowings	3,694,329,869.38	–	1,038,012,912.14	–
Short-term financing payables	21,353,429,261.49	21,353,429,261.49	14,880,673,400.27	14,880,673,400.27
Due to banks and other financial institutions	5,454,279,020.18	4,712,754,347.29	2,984,030,098.85	2,300,784,166.68
Financial liabilities held for trading	2,767,992,008.89	386,009,982.63	3,142,229,044.67	578,311,272.42
Derivative financial liabilities	144,047,839.63	141,007,635.84	201,165,150.30	200,093,430.45
Financial assets sold under repurchase agreements	95,274,427,729.50	91,524,609,983.83	95,396,420,755.97	91,504,338,437.85
Accounts payable to brokerage clients	95,126,045,628.02	76,044,994,868.77	79,680,644,548.33	63,955,467,927.81
Accounts payable to underwriting clients	–	–	117,000,000.00	117,000,000.00
Accrued staff costs	6,236,365,344.10	4,732,326,259.69	6,096,447,358.46	4,353,827,925.56
Taxes payable	782,825,493.60	482,348,591.76	705,722,399.84	354,277,107.46
Accounts payable	5,957,849,661.80	390,832,051.81	5,612,322,665.67	792,432,652.66
Contract liabilities	68,733,447.32	59,038,700.84	68,653,337.99	59,038,700.84
Provisions	452,160,729.15	33,360,000.00	447,520,546.38	35,133,886.74
Long-term loans	3,272,568,453.61	–	3,533,362,319.85	–
Bonds payable	97,969,495,782.36	97,969,495,782.36	82,679,653,386.25	82,679,653,386.25
Lease liabilities	673,955,982.20	508,358,137.63	701,576,557.02	517,683,834.27
Deferred tax liabilities	241,594,865.73	–	281,428,026.16	–
Other liabilities	2,857,119,760.14	1,508,933,427.54	2,687,604,963.16	1,537,493,204.59
Total liabilities	342,327,220,877.10	299,847,499,031.48	300,254,467,471.31	263,866,209,333.85
Equity:				
Share capital	7,621,087,664.00	7,621,087,664.00	7,621,087,664.00	7,621,087,664.00
Capital reserve	31,205,148,513.81	31,768,184,966.20	31,205,148,513.81	31,768,184,966.20
Other comprehensive income	1,360,122,501.02	854,811,929.33	1,542,950,758.49	1,075,368,428.00
Surplus reserve	6,344,759,088.85	6,329,428,718.90	6,344,759,088.85	6,329,428,718.90
General risk reserve	15,005,579,277.11	12,906,338,281.89	14,864,486,796.43	12,906,218,994.94
Retained profits	31,585,001,212.46	22,688,968,553.93	29,655,551,450.83	21,130,589,692.84
Equity attributable to owners of the Company	93,121,698,257.25		91,233,984,272.41	
Non-controlling interests	2,999,322,364.65		2,902,611,348.80	
Total equity	96,121,020,621.90	82,168,820,114.25	94,136,595,621.21	80,830,878,464.88
Total liabilities and equity	438,448,241,499.00	382,016,319,145.73	394,391,063,092.52	344,697,087,798.73

Legal representative:
Sun Shuming

Person-in-charge of
accounting affairs:
Sun Xiaoyan

Person-in-charge of
accounting department:
Wang Ying

2. Consolidated and the Company's Statements of Profit or Loss

Name of Enterprise: GF Securities Co., Ltd. January to March 2020 Unit: RMB Audit Type: Unaudited

Items	January to March 2020		January to March 2019	
	Consolidated	Company	Consolidated	Company
1. Total operating revenue	5,387,563,293.80	3,519,984,477.75	6,839,194,354.71	4,100,351,746.48
Net interest income	889,709,185.38	807,715,727.58	682,553,924.81	637,506,225.42
Including: Interest income	2,729,305,259.98	2,478,382,612.93	2,676,254,637.25	2,372,663,465.13
Interest expenses	1,839,596,074.60	1,670,666,885.35	1,993,700,712.44	1,735,157,239.71
Net fee and commission income	3,177,943,093.85	1,786,935,790.45	2,419,936,795.84	1,406,623,609.66
Including: Net fee income from brokerage business	1,604,177,077.34	1,489,732,150.94	1,163,145,122.29	1,076,402,405.46
Net fee income from investment banking business	270,090,090.17	262,844,494.18	306,880,566.29	297,348,810.03
Net fee income from asset management and fund management business	1,243,264,231.21	-	880,389,592.71	-
Investment gains	1,340,318,394.77	1,081,464,102.85	1,401,805,491.21	1,073,515,476.33
Including: Gains from investment in associates and joint ventures	21,207,888.95	124,529,021.83	103,158,734.64	101,608,123.93
Other gains	13,455,837.37	11,253,666.27	5,727,762.02	5,727,762.02
Gains from changes in fair value	-170,757,123.10	-185,629,985.02	2,196,797,794.54	979,296,422.14
Foreign exchange gains	15,776,499.66	4,674,838.74	-6,579,770.61	-4,784,023.41
Other operating income	121,084,575.61	13,556,402.13	138,376,299.36	1,917,274.53
Gains from disposal of assets	32,830.26	13,934.75	576,057.54	548,999.79
2. Total operating expenses	2,629,213,179.21	1,574,640,476.28	2,819,558,404.48	1,934,319,445.41
Tax and surcharges	34,811,068.74	30,469,851.95	30,524,023.73	23,195,697.30
General and administrative expenses	2,385,731,696.67	1,484,102,876.35	2,523,611,168.10	1,843,704,723.28
Impairment loss on credit	85,126,265.78	59,621,184.15	130,310,583.75	66,972,461.00
Impairment loss on other assets	4,736,684.67	12,500.01	51,958.53	12,500.01
Other operating expenses	118,807,463.35	434,063.82	135,060,670.37	434,063.82
3. Operating profits	2,758,350,114.59	1,945,344,001.47	4,019,635,950.23	2,166,032,301.07
Add: Non-operating income	3,918,778.35	3,681,024.45	1,293,993.23	1,242,363.51
Less: Non-operating expenses	15,290,282.76	13,150,953.06	1,775,460.10	1,521,096.09
4. Profit before income tax	2,746,978,610.18	1,935,874,072.86	4,019,154,483.36	2,165,753,568.49
Less: Income tax expense	580,453,530.06	377,375,924.82	845,005,584.96	451,654,868.89

Items	January to March 2020		January to March 2019	
	Consolidated	Company	Consolidated	Company
5. Net profit for the period	2,166,525,080.12	1,558,498,148.04	3,174,148,898.40	1,714,098,699.60
(1) Classified by continuity of operations				
1. Net profit from continuing operations	2,166,525,080.12	1,558,498,148.04	3,174,148,898.40	1,714,098,699.60
2. Net profit from discontinued operations	-	-	-	-
(2) Classified by ownership of equity				
1. Attributable to owners of the Company	2,070,542,242.31		2,919,149,980.51	
2. Attributable to non-controlling interests	95,982,837.81		254,998,917.89	
6. Other comprehensive income (net of tax)	-182,100,079.43	-220,556,498.67	843,011,862.06	788,794,645.91
Other comprehensive income attributable to owners of the Company (net of tax)	-182,828,257.47		847,051,506.61	
(1) Other comprehensive income that will not be reclassified into profits or losses	-378,664,340.56	-378,871,354.01	716,719,404.60	716,472,065.74
1. Changes in fair value of other equity instrument investments	-378,664,340.56	-378,871,354.01	716,719,404.60	716,472,065.74
(2) Other comprehensive income that will be reclassified into profits or losses	195,836,083.09	158,314,855.34	130,332,102.01	72,322,580.17
1. Other comprehensive income under equity method that can be reclassified into profits or losses	-28,642,116.89	-24,007,405.36	79,050,111.54	42,802,117.30
2. Fair value changes of other debt investments	103,025,571.96	160,717,669.47	115,782,259.91	-1,468,210.26
3. Credit impairment provisions for other debt investments	25,906,442.44	21,604,591.23	44,864,237.26	30,988,673.13
4. Translation differences on foreign currency financial statements	95,546,185.58	-	-109,364,506.70	-
Other comprehensive income attributable to non-controlling interests (net of tax)	728,178.04		-4,039,644.55	
7. Total comprehensive income for the period	1,984,425,000.69	1,337,941,649.37	4,017,160,760.46	2,502,893,345.51
Including: Total comprehensive income attributable to owners of the Company	1,887,713,984.84		3,766,201,487.12	
Total comprehensive income attributable to non-controlling interests	96,711,015.85		250,959,273.34	
8. Earnings per share:				
(1) Basic earnings per share (RMB/share)	0.27		0.38	
(2) Diluted earnings per share (RMB/share)	0.27		0.38	

Legal representative:
Sun Shuming

Person-in-charge of
accounting affairs:
Sun Xiaoyan

Person-in-charge of
accounting department:
Wang Ying

3. Consolidated and the Company's Statement of Cash Flows

Name of Enterprise: GF Securities Co., Ltd. January to March 2020 Unit: RMB Audit Type: Unaudited

Items	January to March 2020		January to March 2019	
	Consolidated	Company	Consolidated	Company
1. Cash flows from operating activities:				
Cash received from interest, fee and commission	5,290,998,035.62	3,660,016,728.47	4,696,515,090.22	3,337,868,855.64
Net increase in due to banks and other financial institutions	2,443,969,843.07	2,400,000,000.00	-	-
Net cash received from accounts payable to brokerage clients	15,358,386,662.27	12,091,468,401.35	30,748,341,602.00	29,374,293,584.77
Net cash received from accounts payable to underwriting clients	-	-	12,920,000.00	12,920,000.00
Net increase in repurchase businesses	1,947,930,287.85	1,970,588,405.03	-	-
Cash received from other operating activities	903,252,693.70	54,732,297.87	449,549,311.76	122,930,952.95
Cash inflow from operating activities, subtotal	25,944,537,522.51	20,176,805,832.72	35,907,326,003.98	32,848,013,393.36
Net increase in advances to customers	3,109,550,621.06	2,913,708,669.43	5,837,404,760.32	6,227,968,223.78
Net decrease in purchase of financial assets held for trading	23,479,481,409.50	22,618,331,393.95	1,574,421,264.22	3,501,860,777.15
Cash payment of interest, fee and commission	828,153,541.31	770,229,584.34	851,106,567.86	773,626,546.61
Net cash paid for accounts payable to underwriting clients	117,000,000.00	117,000,000.00	-	-
Net decrease in due to banks and other financial institutions	-	-	9,120,531,027.33	9,100,000,000.00
Net decrease in repurchase businesses	-	-	8,133,106,894.09	7,627,255,199.46
Cash payments to and for employees	1,569,586,430.99	814,478,164.08	1,214,165,315.97	678,249,286.43
Tax expenses paid	1,043,774,749.63	573,867,135.62	840,207,485.97	330,065,368.69
Cash paid for other operating activities	1,959,936,744.57	1,031,833,081.65	2,752,403,771.65	406,708,569.90
Cash outflow from operating activities, subtotal	32,107,483,497.06	28,839,448,029.07	30,323,347,087.41	28,645,733,972.02
Net cash flows from operating activities	-6,162,945,974.55	-8,662,642,196.35	5,583,978,916.57	4,202,279,421.34
2. Cash flows from investing activities:				
Cash received from divestment	1,484,355,493.55	1,048,804,822.23	1,182,225,879.75	854,313,870.22
Cash received from realized investment gains	969,078,267.84	925,485,342.97	724,129,245.76	645,463,682.06
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,263,041.03	979,116.41	607,291.70	702,921.51
Cash inflow from investing activities, subtotal	2,454,696,802.42	1,975,269,281.61	1,906,962,417.21	1,500,480,473.79
Cash paid for investment	50,000,000.00	-	153,269,288.47	1,261,547,662.40
Cash paid for the purchase of fixed assets, intangible assets and other long-term assets	1,215,024,240.08	43,122,041.83	144,633,465.27	128,714,971.87
Cash outflow from investing activities, subtotal	1,265,024,240.08	43,122,041.83	297,902,753.74	1,390,262,634.27
Net cash flows from investing activities	1,189,672,562.34	1,932,147,239.78	1,609,059,663.47	110,217,839.52

Items	January to March 2020		January to March 2019	
	Consolidated	Company	Consolidated	Company
3. Cash flows from financing activities:				
Cash received from bond issuance	27,300,000,000.00	27,300,000,000.00	22,000,000,000.00	22,000,000,000.00
Cash received from borrowings	2,876,243,700.90	-	877,784,888.97	-
Cash received from other financing activities	2,616,580,000.00	2,616,580,000.00	4,948,780,000.00	4,948,780,000.00
Cash inflow from financing activities, subtotal	32,792,823,700.90	29,916,580,000.00	27,826,564,888.97	26,948,780,000.00
Cash paid for repayment of debts	6,526,743,929.01	6,000,000,000.00	5,037,358,593.56	3,000,000,000.00
Cash paid for distribution of dividends, profit and interest expenses	1,026,124,112.50	952,176,529.37	421,715,621.68	241,779,051.53
Including: dividends and profit paid to non-controlling interests by subsidiaries	-	-	6,114,941.33	-
Cash paid for other financing activities	2,349,632,112.28	2,295,147,482.08	2,761,070,873.81	2,666,990,000.00
Cash outflow from financing activities, subtotal	9,902,500,153.79	9,247,324,011.45	8,220,145,089.05	5,908,769,051.53
Net cash flows from financing activities	22,890,323,547.11	20,669,255,988.55	19,606,419,799.92	21,040,010,948.47
4. Effect of foreign exchange rate changes on cash and cash equivalents	119,050,474.16	4,674,838.74	-133,517,400.44	-4,784,023.41
5. Net increase in cash and cash equivalents	18,036,100,609.06	13,943,435,870.72	26,665,940,979.52	25,347,724,185.92
Add: Cash and cash equivalents at the beginning of the period	96,693,724,267.91	82,091,313,111.74	76,492,870,889.97	63,228,424,789.34
6. Cash and cash equivalents at the end of the period	114,729,824,876.97	96,034,748,982.46	103,158,811,869.49	88,576,148,975.26

Legal representative:
Sun Shuming

Person-in-charge of
accounting affairs:
Sun Xiaoyan

Person-in-charge of
accounting department:
Wang Ying

II. Audit Report

Whether the first quarterly report has been audited

No.